

Government 'buys' a new chief for BSC from America

Britain is to pay an American merchant bank a "transfer fee" of up to £1.825,000 to secure the release of Mr Ian MacGregor to be the new chairman of the British Steel Corporation in succession to Sir Charles Villiers. The Commons

heard the news with incredulity. Announcing the appointment Sir Keith Joseph, Secretary of State for Industry, said that Mr MacGregor, a Scottish-born businessman, was "phenomenally energetic and successful".

£1.8m deal angers Commons

By Fred Emery
Political Editor

There was incredulity, scorn then anger in the Commons yesterday when the Government announced that it would be paying a "transfer fee" of up to £1.825,000 to an American merchant bank to secure the release of Mr Ian MacGregor to be the new chairman of the British Steel Corporation.

Mr MacGregor, who will be 63 in September, joins BSC today and will succeed Sir Charles Villiers, aged 67, as chairman on July 1.

In vain did Sir Keith Joseph, Secretary of State for Industry, plead that this unprecedented arrangement was "totally justifiable" in securing someone he said was "the best man for the job".

For the Opposition, Mr Michael Foot, the deputy party leader, called it "farcical bribery" and "labour MPs on the Conservative and Liberal benches were clearly dismayed when they had stopped hooting with laughter, at what one Conservative backbencher called the "Gilbert and Sullivan complexity" of the deal.

There were strong indications last night that the terms had not been put to the full Cabinet, and that some members of the Cabinet were worried at the public reaction to the news.

Sir Keith, when challenged to say whether the Cabinet had agreed the terms, would say only that it was a "government decision". Mrs Thatcher, sitting on the front bench, nodded her approval.

Such was the initial shock and hilarity over Sir Keith's dogged delivery of the details, as if they were the most normal way of paying the "going rate", that Mr Barry Jones, Labour MP for Flint, East, intervened with a rare public insult: "Is he well?", he asked of Sir Keith.

To secure Mr MacGregor's release from full partnership in Lazard Freres, the New York

firm, the government (not BSC) is to pay the fee in two elements. First Lazard will be paid £675,000 for the three years of Mr MacGregor's appointment; if he fails to serve the full three years, two thirds of that sum will be repayable, pro rata.

Second, Lazard will get, in a range from nil to £1,150,000, payments linked to BSC's performance under the new chairman.

Mr MacGregor will himself receive the £48,500 salary that goes with the job, plus any share of Lazard's profits which he would receive in the "limited" but no longer "active" partnership he would continue to hold in Lazard Freres.

He will also continue to receive payment for a directorship he holds in the American metals firm Amax.

Greatest hilarity in the Commons was reserved for Sir Keith's explanation of how the "performance" standards would be judged. They would be assessed by a committee consisting of two persons nominated by Lazard Freres and an "independent chairman agreeable to both".

The criteria for such performance standards, still to be defined, would include not only financial return but strength of management, industrial relations, and export and productivity success.

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer".

Action Day not trade dispute, MPs told

By Hugh Noyes
Parliamentary Correspondent
Westminster

Mrs Thatcher told the Commons yesterday that subject to confirmation by Sir Michael Havers QC, the Attorney General, trade unions would not have immunity from legal action in a court of law if they called out their members on the TUC's Day of Action against the Government's policies.

The Prime Minister was asked by Mr Ivor Stanbrook, Conservative MP for Bromley, Orpington, to warn the TUC that neither the law, nor the Government would protect them by one penny from action in the courts by businesses who suffered damage when their workers were called out on May 14.

Sir Michael Havers is in Barbados at a conference of Commonwealth law officers and is not expected back before the middle of next week.

The Institute of Directors has asked Sir Michael to clarify the position. No part, teachers say: The Assistant Masters and Mistresses Association will take no part in the TUC's Day of Action, Miss Ann Gray, president, said yesterday (The Education Correspondent writes).

Of the five main teachers' unions, only the National Union of Teachers, which represents just over half all teachers, is planning to support the TUC. But only 18 of the union's 558 branches have said that they will stage half-day strikes.

Normal television: Two of the main broadcasting unions have decided not to recommend their members to stop work on May 14, Kenneth Gossing writes. They are the Association of Broadcasting and Allied Staffs and the Association of Cinematograph, Television and Allied Technicians.

Parliamentary report, page 11

Deadlines pass without incident at Iranian Embassy as Briton is freed Police say gunmen's demands cannot be met

By Stewart Tandler,
Nicholas Timmins
and John Witherow

The demands made by the gunmen in the Iranian Embassy in London cannot be met in full, Sir David McNeale, the Commissioner of the Metropolitan Police, said last night as the siege, believed to involve 20 hostages, approached the end of its second day.

Although the gunmen have not withdrawn demands which involve the release of 91 prisoners in Iran and a flight out of Britain for the gunmen and their hostages, they have allowed two deadlines to pass without carrying out any of the threats they had made.

They also released Mr Christopher Cramer, a BBC producer, who needed medical attention. Last night the police said there were at least three Britons in the embassy.

One is Police Constable Trevor Lock, of the diplomatic protection group, another is Mr Sim Harris, a BBC sound recordist, and the third is thought to be Mr Ronald Morris, aged 47, a janitor at the embassy.

Among the Iranian hostages one has been identified by relatives as a secretary, Mrs Kanji, who is three months pregnant, and another is a Lebanese journalist, Mustapha Karkouti.

Sir David McNeale said in his statement: "The gunmen inside the Iranian Embassy must know that it is not within our powers to meet all of their demands whatever our views on the rights and wrongs of their cause may be. I appeal to them to return to calm. Hostage action may cause even more suffering to their own people in Iran."

Sir David said he was especially conscious of the position of one of his own officers who in the course of duty was injured and whose situation which he cannot even help to solve.

"All my officers engaged in this incident are concerned to do what we always try to do,



A policeman going down with a suspected broken ankle as he was trying to separate two demonstrators outside the Iranian Embassy Princes Gate, Knightsbridge, London, yesterday.

resolve the situation without loss of life. Sir David said: "We must show patience and perseverance, that is what we propose to do."

Sir David spoke after the deadline set at noon and then 2 pm were well passed.

As the first deadline approached Deputy Assistant Commissioner John Dellow, in charge of the police operation, said he was not sure the gunmen could carry out to the full their threat to kill the hostages, not held in the embassy, calling on the students to remain calm and not get involved in confrontations with the police or rival groups.

There was a strong police guard on the Iraqi Embassy in

Queen's Gate, near by the besieged embassy.

Later last night the police announced that a message was being sent to Iran from the hostages inside the embassy. Neither the contents nor the length of the message were revealed.

The mood of the gunmen is said to remain calm.

Tehran warning: The Iranian Foreign Ministry warned Iranians against any attempt to seize the British Embassy in Tehran, the State radio reported. A ministry spokesman said any attack on the British Embassy would only benefit "the Iraqi Ba'ath and America" (UPI reports).

More siege reports, page 3

Print unions' threat on May 14 legal move

By Paul Routledge
Labour Editor

Print union leaders last night predicted that no national newspaper would be published on May 14, whatever the outcome of the legal move by Express Newspapers to ban them from taking part in the law movement's Day of Action.

Express Newspapers announced its intention to seek a High Court injunction against four newspaper unions soon after Mrs Thatcher told the Commons that the TUC's strike protest does not qualify as a trade dispute and therefore gives no protection for trade unionists from civil action in the law courts.

The Daily Express and the Evening Standard were yesterday given leave by Mr Justice Mals at a private hearing to bring their action against four named unions and their leaders next Tuesday. The court will be asked for an order rescinding calls to workers in the industry to take part in the Day of Action.

Mr Joe Wade, general secretary of the National Graphical Association, said: "It seems to me it is a futile gesture on their part, and one can only assume they are indulging in petty propaganda. We shall defend the action, and are quite confident we will defend it satisfactorily."

But whatever happens, we shall continue to follow the TUC line. There will be no newspapers on that day, one way or another, whatever anybody says. That is a fact, because I am quite convinced that our members will follow the TUC line."

But last night Mr William Keys, general secretary of the Society of Graphical and Allied Trades and chairman of the TUC Printing Industries Committee, said: "By issuing that writ, Express Newspapers have again reaffirmed their attitude of enmity towards the trade unionists, and despite the writ there is no question at all that the members in Fleet Street will protest against the actions of the Government as individuals on May 14."

Mr Joe Wade, general secretary of the National Graphical Association, said: "It seems to me it is a futile gesture on their part, and one can only assume they are indulging in petty propaganda. We shall defend the action, and are quite confident we will defend it satisfactorily."

But whatever happens, we shall continue to follow the TUC line. There will be no newspapers on that day, one way or another, whatever anybody says. That is a fact, because I am quite convinced that our members will follow the TUC line."

But last night Mr William Keys, general secretary of the Society of Graphical and Allied Trades and chairman of the TUC Printing Industries Committee, said: "By issuing that writ, Express Newspapers have again reaffirmed their attitude of enmity towards the trade unionists, and despite the writ there is no question at all that the members in Fleet Street will protest against the actions of the Government as individuals on May 14."

Mr Joe Wade, general secretary of the National Graphical Association, said: "It seems to me it is a futile gesture on their part, and one can only assume they are indulging in petty propaganda. We shall defend the action, and are quite confident we will defend it satisfactorily."

But whatever happens, we shall continue to follow the TUC line. There will be no newspapers on that day, one way or another, whatever anybody says. That is a fact, because I am quite convinced that our members will follow the TUC line."

But last night Mr William Keys, general secretary of the Society of Graphical and Allied Trades and chairman of the TUC Printing Industries Committee, said: "By issuing that writ, Express Newspapers have again reaffirmed their attitude of enmity towards the trade unionists, and despite the writ there is no question at all that the members in Fleet Street will protest against the actions of the Government as individuals on May 14."

Mr Joe Wade, general secretary of the National Graphical Association, said: "It seems to me it is a futile gesture on their part, and one can only assume they are indulging in petty propaganda. We shall defend the action, and are quite confident we will defend it satisfactorily."

But whatever happens, we shall continue to follow the TUC line. There will be no newspapers on that day, one way or another, whatever anybody says. That is a fact, because I am quite convinced that our members will follow the TUC line."

But last night Mr William Keys, general secretary of the Society of Graphical and Allied Trades and chairman of the TUC Printing Industries Committee, said: "By issuing that writ, Express Newspapers have again reaffirmed their attitude of enmity towards the trade unionists, and despite the writ there is no question at all that the members in Fleet Street will protest against the actions of the Government as individuals on May 14."

Mr Joe Wade, general secretary of the National Graphical Association, said: "It seems to me it is a futile gesture on their part, and one can only assume they are indulging in petty propaganda. We shall defend the action, and are quite confident we will defend it satisfactorily."

But whatever happens, we shall continue to follow the TUC line. There will be no newspapers on that day, one way or another, whatever anybody says. That is a fact, because I am quite convinced that our members will follow the TUC line."

But last night Mr William Keys, general secretary of the Society of Graphical and Allied Trades and chairman of the TUC Printing Industries Committee, said: "By issuing that writ, Express Newspapers have again reaffirmed their attitude of enmity towards the trade unionists, and despite the writ there is no question at all that the members in Fleet Street will protest against the actions of the Government as individuals on May 14."

Mr Joe Wade, general secretary of the National Graphical Association, said: "It seems to me it is a futile gesture on their part, and one can only assume they are indulging in petty propaganda. We shall defend the action, and are quite confident we will defend it satisfactorily."

But whatever happens, we shall continue to follow the TUC line. There will be no newspapers on that day, one way or another, whatever anybody says. That is a fact, because I am quite convinced that our members will follow the TUC line."

But last night Mr William Keys, general secretary of the Society of Graphical and Allied Trades and chairman of the TUC Printing Industries Committee, said: "By issuing that writ, Express Newspapers have again reaffirmed their attitude of enmity towards the trade unionists, and despite the writ there is no question at all that the members in Fleet Street will protest against the actions of the Government as individuals on May 14."

Mr Joe Wade, general secretary of the National Graphical Association, said: "It seems to me it is a futile gesture on their part, and one can only assume they are indulging in petty propaganda. We shall defend the action, and are quite confident we will defend it satisfactorily."

But whatever happens, we shall continue to follow the TUC line. There will be no newspapers on that day, one way or another, whatever anybody says. That is a fact, because I am quite convinced that our members will follow the TUC line."

Labour wins Worcester and Oxford

By Christopher Warman
Local Government Correspondent

The earliest results in yesterday's local elections showed that Labour seemed assured of the sweeping gains it had confidently predicted, with victories at Worcester and Oxford. It is the first time the party has controlled Worcester. It needed to gain two seats to win control.

Labour also retained Stoke-on-Trent, with exactly the same number of seats.

Early results included:

Non-metropolitan districts

DERBY (Lab): C 6, Lab 8. New Council: Lab 26, C 18.

Stoke-on-Trent (Lab): Lab 20, C 1. New Council: Lab 57, C 3.

No change.

ROSSDALE (C): C 4, Lab 8. New Council: Lab 13, C 1. New Council: C 21, Lab 13. L 2. No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No change.

No boycott by Riyadh on deals with Britain

From Edward Mortimer
Riyadh, May 1

No formal instructions to boycott British firms have been given to Saudi Arabian government departments, I was told today by Dr Solaim Solaim, the Minister of Commerce.

Existing contracts will be honoured and there has been no formal decision that new contracts would not be signed.

But, he added, the commercial relationship between the two countries was bound to be affected by the political atmosphere after the withdrawal of the British Ambassador at the Saudi Government's request in protest against the television film *Death of a Prince*.

"It is not a question of changing each other's ways of doing things. It's a matter of mutual cooperation to solve a problem like this and prevent it from happening in the future."

Secondly, the British media should appreciate the consequences of a film like this and make an effort to give a more balanced presentation of Saudi Arabia. They should "look into the positive aspects" of Saudi Arabia's rapid development as well as the negative.

Dr Solaim confirmed that a visit by King Khalid to Britain in June had been postponed, as

cess applications from companies abroad for commercial registration in Saudi Arabia. Applications from British firms, he said, were in the present atmosphere likely to be "kept" until something is done.

What was needed to repair the damage, he continued, was firstly for political leaders of the two countries to make contact with a view to "mending the atmosphere".

Continued on page 8, col 4

Transfer conditions will be source of controversy

By Peter Hill
Industrial Editor

The taxpayer is to pay up to nearly £2m in the form of an unprecedented "transfer fee" for the services of Mr Ian MacGregor, the American businessman who is to run the British Steel Corporation for the next three years.

Sir Keith Joseph, who announced the appointment in Parliament, said later that that was the price the Government had to pay for a man who was "phenomenally energetic and successful".

Mr MacGregor, a Scottish-born American, will join the bankrupt BSC today as a part-time deputy chairman and will take up his post as chairman at the beginning of July.

He will be relinquishing a number of directorships, including that of deputy chairman of BL—but will retain others and his links with Lazard Freres, the American investment bank, in which he is a limited partner. His role there will be reduced to that of a senior partner with a reduced interest in the company.

The terms and conditions which the American firm has extracted from the Government in return for releasing him will



Mr Ian MacGregor: "Phenomenally energetic and successful."

be a source of continuing controversy and are bound to generate unrest among other state industry chairmen.

Although he will receive the same salary, £48,500, as Sir Charles (who will be leaving three months earlier than planned), that is likely to be increased as a result of recommendations from the Top

Salaries Review Body, soon to be published.

In order to judge the effectiveness and achievement levels attained, the Government has introduced another layer of bureaucracy into the management of the corporation.

Jointly with Lazard, the Department of Industry will decide on performance criteria for BSC, including management strength and succession.

Mr MacGregor, who as chief executive officer of Amax, a major American metals and natural resources company, extensively diversified its interests, has been receiving a salary estimate at three times the level of that he will receive at BSC.

His appointment brings to an end nearly a year of searching and discussions have been taking place with Mr MacGregor for the past three months.

He was asked five years ago to take over as chairman of the retirement of Sir Monty Finis, the former BSC chairman, but refused.

Defending his acquiescence in negotiation to the tough financial terms demanded by the American bankers at a press

Continued on page 19, col 1

President Carter to go out campaigning

From Patrick Brogan,
Washington, May 1

President Carter has decided to abandon his Rose Garden strategy and leave the White House to campaign for reelection. He has not made any campaign trips since the American hostages were seized in Tehran on November 4, on the grounds that his presence was required in the White House.

He announced his decision yesterday, saying: "None of the challenges are completely removed, but I believe they are manageable enough that I can leave the White House."

Senator Edward Kennedy, stating the obvious, said today that President Carter's decision

to start campaigning was "a political judgment". He thinks Mr Carter is facing a political disaster; and he said today that he believed the President's defeat in five of the seven most recent primaries and caucuses had led him to see the need to leave the White House.

"Mr Carter has now indicated that the crises are now manageable and therefore he is able to leave the White House," the senator said. "Well, I would like to debate whether an 18 per cent rate of inflation is manageable for the working people of this country. I'd like to debate whether 13 per cent interest rates are manageable for the people of this country."

The White House said that no arrangements have yet been made for the President's travels, but there is a primary in Texas on Saturday, and primaries in the District of Columbia, Indiana, North Carolina and Tennessee next Tuesday.

Yesterday, Mr Carter told a group of civic leaders who visited him: "It has been a long time that I have stayed in the White House, under extraordinary circumstances. But times change, and a lot of the responsibilities that have been on my shoulders the past few months have now been alleviated to some degree."

Texas primary, page 9

Leader page 15

Letters: On Mrs Thatcher and the EEC, from Sir Peter Tennant, and others; Tube strikes, from the Managing Director (Railways) London Transport; Eton fagging, from Sir Rannulph Twisleton-Wykeham-Kyburgh.

Leading articles: Steel chairman; London education; Divorce.

Obituary, page 16

Features, pages 12, 14

Stewart Tandler on how terrorists can still get into Britain; Sir Charles Villiers writes an open letter to his successor; Michael Leapman on Jamaica's economic crisis.

Arts, page 13

David Robinson finds great pleasure in Derek Jarman's film of *The Tempest*; John Higgins on the Broadway revival of *West Side Story* and *Okla!oma!*; John Percival on the film *Dancers in the Wind*; Wardle on *The Dresser* in London.

Business, pages 19-25

Stock Markets: Another strong performance by oils drew attention to the rest of equities while the continuing fall in prime rates helped gilts. The FT Index rose 2.3 to 443.2.

Financial Editor: Controlling silver after Butler Hunt.

Sport, pages 17 and 18

Racing: Quick as Lightning wins 1,000 Guineas; Football: Bonds cleared for FA Cup final; Cricket: Australian party for Centenary tour.

Home News 2-4, 6, 7

Court 16

European News 7

Overseas News 8-10

Diary 11

Appointments 16, 23

Arts 12

Business 19-25

HOME NEWS

Changes in Operation Countryman control intended to speed up progress of the investigation

By Stewart Tindler

Important changes were announced yesterday in the control of Operation Countryman, the inquiry into police corruption in London. The changes are intended to speed up the inquiry but they will be seen as a clear criticism of the investigation's progress and they suggest a strong undercurrent of anxiety and police politics under the surface.

Mr Leonard Burt, Assistant Chief Constable of Dorset, who has led the operation since its inception in 1978, will not return to the post when he finishes a period with his own force this summer.

Instead Mr Peter Matthews, Chief Constable of Surrey, who was recently appointed adviser to the inquiry, will take overall control of operations and general policy. He will bring two senior officers from Scotland Yard to join the 80 provincial policemen in the inquiry.

Deputy Assistant Commissioner Ronald Stevenson, former head of Scotland Yard's Complaints Investigation Bureau, has experience of the underworld in London. Det Chief Supt Christopher Draycott, now in the CI Department at Scotland Yard, will handle

liaison between the inquiry and London forces.

The three appointments reflect the criticism the inquiry has drawn within police circles. It has been said that the inquiry is taking too long and showing too few results, partly because the provincial men are not experienced in the ways of London.

It has also been said that the Countryman team has been too secretive and thus not the arrested people have appeared in London courts.

In recent weeks there have been several warnings that changes were to come when Mr Burt formally returned to his force today, where he is filling in for a senior officer on secondment to Hongkong.

Countryman officers believed Mr Burt would return later in the summer to the operations base at Godalming, Surrey. It is understood that they were not aware that changes were imminent.

The short announcement issued by Sir David McNee, Commissioner of the Metropolitan Police, and Mr Peter Ishall, Council member of the City of London Police, said the changes had been made in view

of the length of time the inquiry has taken. It was felt that matters should be expedited both to allay public anxiety and to prevent police morale being affected.

It is not clear yet how Mr Matthews will alter the investigation but it is possible that he will reduce the size of the team and press for action as soon as possible.

Countryman was established to examine allegations against police officers after three big robberies involving two newspaper offices and a City bank. So far four officers and two civilians have been charged with various offences. Another four officers are suspended.

Against that there has been criticism that Countryman has not got to the root of the allegations. One detective chief inspector who was suspended has been returned to duties and charges against another were dropped in court, although he is still suspended.

In recent months some of the criticism has become public, with a former adviser to the inquiry defending the team's record and then being attacked by senior police officers and politicians for bringing the issues into the open prematurely.

End birth control ban, priest says

By Clifford Longley

Religious Affairs Correspondent

The official Roman Catholic teaching that artificial birth control is wrong is no longer tenable, according to a leading article in one of the most influential Roman Catholic journals.

Any reaffirmation of that teaching would be "a most irresponsible act which would have disastrous pastoral consequences", the article says.

It appears in the May edition of *The Clergy Review* and is signed by the editor, Father Michael Richards. The journal circulates mainly among Roman Catholic priests, and has an editorial board headed by the Right Rev B. C. Butler, auxiliary Roman Catholic bishop of Westminster and the "doyen" of English Roman Catholic theologians.

Father Richards is known for his sometimes controversial opinions which are not necessarily endorsed by the distinguished clergymen associated with the journal, but on the issue of contraception he points out that he has supported the official teaching on birth control.

"Some may remember that in 1968 I was involved in the defence of *Humanae Vitae*, which found a much more positive and creative document than did many others", he states.

But he adds: "I do not think that the church's mind can stand still over its issue, any more than it has done, for example, over ecumenism or religious freedom, or church-

state relations, in all of which areas recent developments have been remarkable, not to say revolutionary."

Father Richards says that a very high proportion of married Roman Catholics regard the ban on contraception as unacceptable, and it has proved difficult, if not impossible, for the parish clergy to defend it.

Contraception may be distasteful and not something one would practise for its own sake, any more than taking medicine or undergoing surgery would be done for its own sake. "But to declare it intrinsically evil and therefore in no circumstances morally justifiable, is to go beyond the evidence of Scripture, or philosophy, or of experience."

He also publishes in the May edition a detailed criticism of the way successive Popes have maintained the official ban, which was last affirmed in 1968 by Pope Paul VI in the encyclical *Humanae Vitae*.

Recalling that the Lambeth Conference of the Anglican Communion approved of contraception in 1930, and that defenders of the official Roman Catholic teaching thought it unacceptable to say that the Holy Spirit had guided the Anglican Communion to the truth of the matter rather than

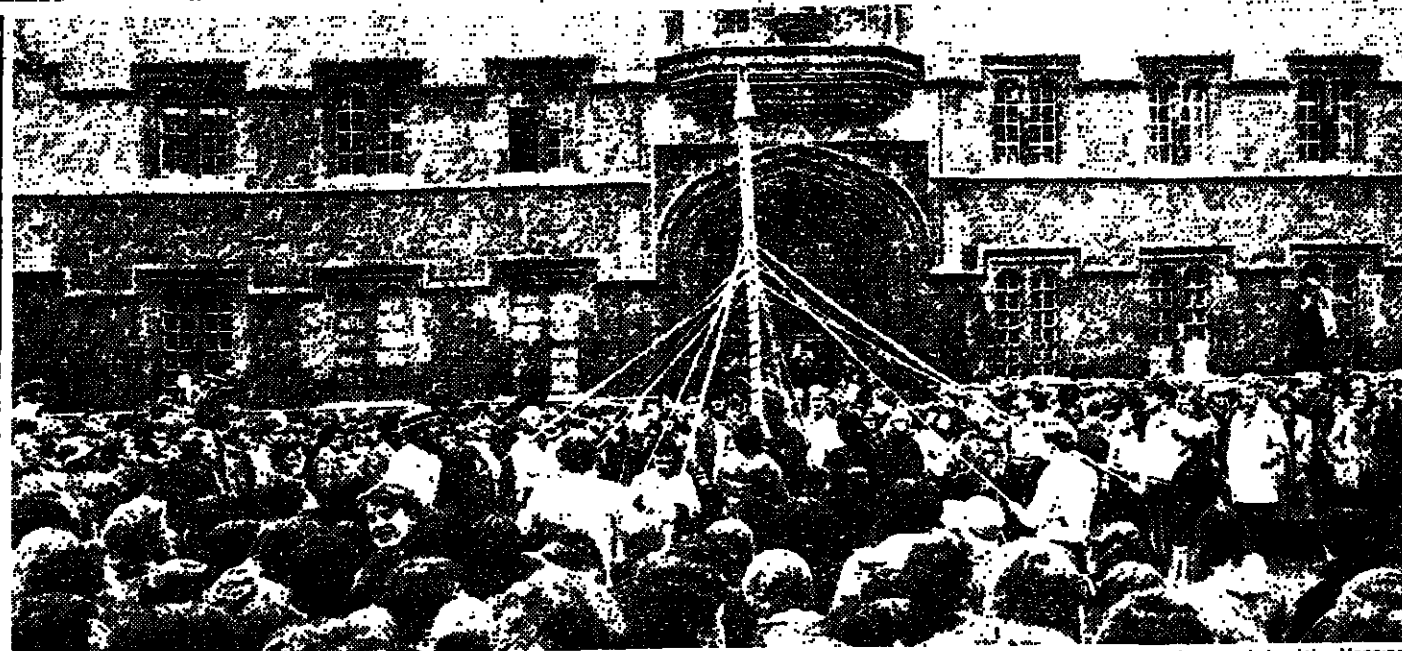
the Roman Catholic Church, he argues that the Anglican clergy are marked and therefore have, in Roman Catholic terms, access to the grace of matrimony that is not available to the Roman clergy.

Mrs Price quotes papal teaching for the past 50 years to show how the teaching on sexual intercourse in marriage as a good thing in itself was still implicit in the attitudes of several recent Popes, but was completely contradicted by the Second Vatican Council.

The publication of these two articles in *The Clergy Review* is intended, Father Richards says, to aid debate in the Roman Catholic Church in preparation for the synod of bishops in Rome in the autumn.

It also happens to coincide with the opening in Liverpool today of the National Pastoral Congress of the English and Welsh Roman Catholic Church, and Father Richards quotes from some of the congress preliminary documents in support of his claim that the official teaching has proved unacceptable to the church at large.

The mood of the Roman Catholic Church was very profoundly changed by *Humanae Vitae* in 1968. It has been authoritatively suggested that this English congress could prove the beginning of a big impetus behind a movement to have the ban on contraception lifted, and there is evidence that highly placed officials in the Vatican, possibly even the Pope himself, are afraid of it for that reason.



Oxford undergraduates celebrate May Day in the traditional way around the maypole.

£80 minimum is sticking point in industry seeing flight of work abroad

Printing employers' solidarity is under strain

By Paul Routledge

Labour Editor

The unpredictable disappearance of some national newspapers from many breakfast tables over the past week has served to focus attention on an industrial dispute that otherwise might have been tucked away in the labour news graveyard.

Fleet Street has been affected four times by "guerrilla" walkouts, usually involving only a few dozen key members of the National Graphical Association, which is in dispute with the Newspaper Society, representing provincial publishers, and the British Printing Industries Federation, representing 3,700 general printing firms.

Local newspapers and printing companies had been suffering disruption by the union for five weeks before the employers implemented their draconian threat of a full lockout. The union is refusing to compromise on its claim for an £80 minimum earnings guarantee and an immediate 37½-hour week.

Since the suspensions began four days ago the employers' solidarity has come under serious strain. The union insists that less than a quarter of its federation members have been locked out, a figure that the employers dispute without much conviction.

In the provincial newspaper

field the employers have been more united. Initially only 23 of 260 companies declined to suspend their union craftsmen, but the significant defection yesterday of the Birmingham Post and Mail group weakens their ranks.

When the employers met yesterday to assess their next move there seemed little room for manoeuvre. The union already seeks a gradual capitulation by the general printing companies, which are caught between loyalty to the federation's militant line and competition from those companies still operating.

Printing union leaders went into the dispute declaring: "It is a fight we are going to win." After the dispute at Times Newspapers last year the union has never been more self-confident. It is paying £20 a week benefit to every suspended member, which is partly offset by a £6.20 levy on those still at work.

Two issues stand in the way of an early settlement: pay and the union's role as a labour exchange for the industry. The change for the 1980 to 1981 year to go for its low pay areas and was met by equally strong determination by the employers to wrest substantial productivity concessions in return for wage rises.

The society-federation pack-

age accepted in a ballot by the other two unions, the Society of Graphical and Allied Trades and the National Society of Operative Printers, Graphical and Media Personnel, provides for minimum earnings of £75 and phasing-in of the 37½ hour week over two years. It also includes clauses on flexibility of labour between all pre-press operations, eg composing, keyboarding, proofing, make-up and platemaking. In the press room flexibility and interchangeability between letterpress, litho, flexographic and gravure machines is proposed.

The employers want an enabling agreement on those issues that could be translated into local deals "necessary to achieve increased output". They also seek talks on "efficient manning levels" and a joint review of entry into the industry, with a reduction of the apprenticeship period from four years to three from August 1, 1981. If agreement cannot be reached.

A further sticking point is the insistence that for the life time of the agreement employers will be able to recruit directly from outside the ranks of the National Graphical Association. If a vacancy is not filled for more than a month, Critical though the failure to agree in this area, it is the

cash claim that employers identify as the main bar to a settlement. The offer adds about £140m to the wages bill of an industry that is already suffering from a flight of work abroad.

To concede the claim in full, the union is demanding, would cost an estimated 150m more, and the employers are still smarting from the recent comment by the managing director of Secker and Warburg, the book publishers: "Your productivity is lamentable compared with that of American and most European printing works."

"Your wages are too high, and since you calmly hit us with a 20 per cent increase like clockwork each year, it can only be because you foolishly ignore the demands of your workers, regardless of the fact that they are not producing anything like 20 per cent more books."

A recent Printing Industries Sector Working Party report said, however: "Profits and wages in the United Kingdom were not high in comparison with those earned by competitors in many developed countries". And Mr Wade argues: "If the industry cannot afford an £80 a week minimum earnings level, then quite clearly there is something wrong with the industry."

Rugby captain is sent for trial

Gordon Doble, Wolverhampton Rugby Club's captain, was sent for trial yesterday accused of causing grievous bodily harm to an opposing player who lost an eye.

Mr Doble, aged 30, of Pendeford Avenue, Tettenhall, West Midlands, was committed on bail for trial at Stafford Crown Court by magistrates at Wombourne, near Wolverhampton.

Papers may be off street another week

By Our Labour Editor

Most provincial newspapers will be off the streets for another week and industry printing firms at a standstill after an employers' decision last night to continue a national lockout.

Leaders of the British Printing Industries Federation and the Newspaper Society decided to continue the suspension of members of the craft print union, the National Graphical Association, at least until Wednesday.

The decision is likely to mean further NGA disruption of Fleet Street in the offices of national newspapers with substantial provincial publishing interests. Members of the union have been staging "guerrilla" stoppages during the past week.

Senior negotiators of the BPIF and the NS met last night to consider the next move in the dispute that has temporarily closed papers in the provinces.

A general print employers' spokesman declined to say whether a new peace initiative was being planned. He confirmed that contact with the Association of Newspaper and Arbitration Service was being maintained.

The BPIF council, meeting with representatives of the Newspaper Society, heard a report on the response to the employers' call for a suspension of NGA members from last Monday. They decided to support those firms carrying out the suspension.

The two sides disagree on how many mutually agreed to suspend without pay for imposing sanctions in pursuit of their £80-a-week minimum earnings target. The employers insist that about 30,000 members of the union have been locked out; but the NGA claims it is nearer half that figure.

Brushing aside the threat of continuing suspension, Mr Joe Wade, general secretary of the NGA, said last night: "We are now even more convinced that we are going to win this dispute. The number of firms over the last few days asking our members to go back to work and agreeing our terms makes it clear nothing can stop us winning."

Mr Wade contested the BPIF view on suspension numbers, insisting that it was no more than 17,000, of whom 10,000 were in the provincial newspaper field. The general printing employers' decision to continue the lockout was "wholly in the work", he claimed. By now nearly 60 per cent of the commercial industry labour force was working on terms agreeable to the NGA.

Printing resumed: The Birmingham Evening Mail resumed production yesterday after reinstating its suspended NGA employees. The morning Birmingham Post will appear today and the Sunday Mercury will resume publication tomorrow.

Head resigns over move to restore grammar school

By Sarah Bayliss, of The Times

Educational Supplement

A decision by the Government to allow a Midlands comprehensive school to revert to a grammar school has prompted the headmaster of a comprehensive near by to decide to leave.

Mr Kenneth Francis, headmaster of the academically successful and popular John Willmott comprehensive, wants to leave because he fears that his school will suffer with the creation of a grammar school two miles away at the Sutton Coldfield Girls' School.

Mr Francis, aged 56, headmaster for the past 12 years, will stick to his decision even if a Labour council committed to ending the grammar school plan wins Birmingham from the Conservatives in the local election.

He says the grammar versus comprehensive battle will continue in Sutton Coldfield, and he has had enough of the "political footballing".

His decision comes after an announcement last week by Mr Mark Carlisle, Secretary of State for Education, approving a request from Birmingham City Council to turn Sutton Coldfield Girls' School, comprehensive for the past five years, back into a selective grammar school.

Mr Ronald Woodson, a Conservative councillor, chairman of the governors at John Willmott school but an active supporter of the grammar school idea, has received a copy of Mr Francis' request for early retirement. He said the school was a first-class comprehensive

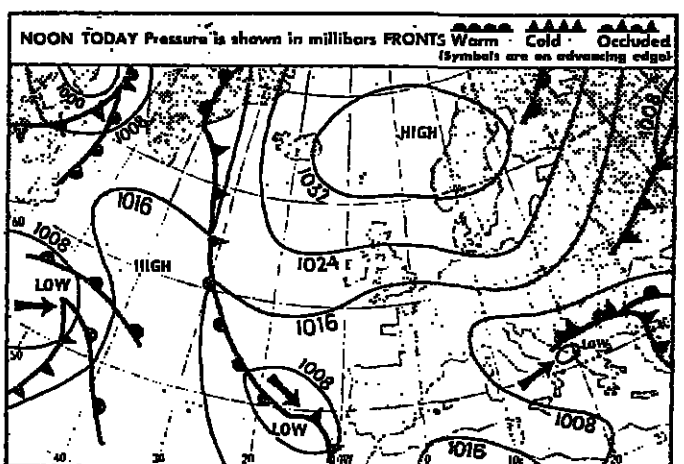
servatives in the local election. He says the grammar versus comprehensive battle will continue in Sutton Coldfield, and he has had enough of the "political footballing".

His decision comes after an announcement last week by Mr Mark Carlisle, Secretary of State for Education, approving a request from Birmingham City Council to turn Sutton Coldfield Girls' School, comprehensive for the past five years, back into a selective grammar school.

Mr Ronald Woodson, a Conservative councillor, chairman of the governors at John Willmott school but an active supporter of the grammar school idea, has received a copy of Mr Francis' request for early retirement. He said the school was a first-class comprehensive

servatives in the local election.

Weather forecast and recordings



NOON TODAY Pressure is shown in millibars FRONTS Warm Cold Occluded

Today Sun rises: 5.31 am Sun sets: 8.26 pm Moon rises: 7.06 am Moon sets: 10.36 pm

Last quarter: May 7. High water: London Bridge, 3.54 am; 7.0m; 4.11 pm; 7.1m. Avonmouth, 5.23 am; 12.2m; 9.38 pm; 12.2m. Dover, 12.28 am; 6.4m; 1.14 pm; 6.3m. Hull, 8.17 am; 7.1m; 8.31 pm; 7.0m. Liverpool, 1.10 am; 9.0m; 1.21 pm; 8.5m.

A NE airstream covers the whole of the United Kingdom and a trough of low pressure will lie along the English Channel. Forecasts for 6 am to midnight: London, SE, Central N England, Midlands: Bright periods developing, dry in many places, scattered showers; wind NE, moderate to fresh; max temp 12° to 13°C (54° to 55°F).

East Anglia, Dry, sunny periods developing; wind NE, fresh; max temp 12° to 13°C (54° to 55°F). Central SW England, Channel Islands: Thunder showers, rather cloudy in many places; wind NE, moderate to fresh; max temp 10° to 13°C (50° to 55°F).

E. NE England, Borders: Rather drizzle near some coasts, otherwise dry; wind NE, fresh; max temp 8°C (46°F). N Wales, NW England, Lake District: S. sun.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; f, fair; r, rain; s, sun.

Strike call over BBC orchestral cuts

By Our Arts Reporter

Unless the BBC withdraw notices of dismissal sent to 17 musicians employed by the five corporation orchestras that are being scrapped as part of the economy measures, the Musicians' Union will order a strike to start on June 1.

The BBC has notified the union and the Department of Employment that it is terminating the musicians' employment will expire at the end of August.

The union is carrying out a ballot of BBC staff musician during the next seven days, and that will carry with it a strong recommendation to strike. The result of the ballot will be known in about a fortnight.

Questioned on the Radio programme, *The World at One* yesterday, Mr Aubrey Singer, Musicians' Union official, said it would be impossible for the Promenade Concerts to field, Mr Singer said: "We will negotiate right up to the minute, but if we cannot save them that is a sacrifice we will have to accept to achieve these economies." The concerts are planned to start in July 18.

Trainee earns £20,000 in commission

From Our Correspondent

Southampton

Mr Peter Halsey, a trainee insurance salesman, has earned £20,000 commission in three weeks by selling insurance policies valued at £1m.

His delighted employer, the Property Growth Assurance company offices in Queensway, Southampton, yesterday presented him with an engrave tray for what is thought to be record insurance sales.

Mr Halsey, a former television salesman, aged 20, is still training and is confident that he can maintain his £1,000 a day earnings.

Mr Halsey was born of Italian parents, adopted, and educated at a boarding school near Basingstoke.

He plans to use his £20,000 for a deposit on a house and a car.

£30m pledged to TV consortium over franchise

Midlands Television, the consortium trying to win Associate Television's franchise, has been promised £30m if the offer succeeds, Mr Stuart Wilson Midlands managing director said yesterday.

Mr Joseph Morley, president of the National Union of Microworkers, is to join the board.

The decision, reported yesterday, of the International Publishing Corporation and Rad Television, Luxembourg, not to join the venture will not affect Midlands' intentions, Mr Wilson said.

At the resorts 24 hours to 6 pm, May 1

5 COAST: Brighton, 10.6; 11.6; 12.6; 13.6; 14.6; 15.6; 16.6; 17.6; 18.6; 19.6; 20.6; 21.6; 22.6; 23.6; 24.6; 25.6; 26.6; 27.6; 28.6; 29.6; 30.6; 31.6; 32.6; 33.6; 34.6; 35.6; 36.6; 37.6; 38.6; 39.6; 40.6; 41.6; 42.6; 43.6; 44.6; 45.6; 46.6; 47.6; 48.6; 49.6; 50.6; 51.6; 52.6; 53.6; 54.6; 55.6; 56.6; 57.6; 58.6; 59.6; 60.6; 61.6; 62.6; 63.6; 64.6; 65.6; 66.6; 67.6; 68.6; 69.6; 70.6; 71.6; 72.6; 73.6; 74.6; 75.6; 76.6; 77.6; 78.6; 79.6; 80.6; 81.6; 82.6; 83.6; 84.6; 85.6; 86.6; 87.6; 88.6; 89.6; 90.6; 91.6; 92.6; 93.6; 94.6; 95.6; 96.6; 97.6; 98.6; 99.6; 100.6; 101.6; 102.6; 103.6; 104.6; 105.6; 106.6; 107.6; 108.6; 109.6; 110.6; 111.6; 112.6; 113.6; 114.6; 115.6; 116.6; 117.6; 118.6; 119.6; 120.6; 121.6; 122.6; 123.6; 124.6; 125.6; 126.6; 127.6; 128.6; 129.6; 130.6; 131.6; 132.6; 133.6; 134.6; 135.6; 136.6; 137.6; 138.6; 139.6; 140.6; 141.6; 142.6; 143.6; 144.6; 145.6; 146.6; 147.6; 148.6; 149.6; 150.6; 151.6; 152.6; 153.6; 154.6; 155.6; 156.6; 157.6; 158.6; 159.6; 160.6; 161.6; 162.6; 163.6; 164.6; 165.6; 166.6; 167.6; 168.6; 169.6; 170.6; 171.6; 172.6; 173.6; 174.6; 175.6; 176.6; 177.6; 178.6; 179.6; 180.6; 181.6; 182.6; 183.6; 184.6; 185.6; 186.6; 187.6; 188.6; 189.6; 190.6; 191.6; 192.6; 193.6; 194.6; 195.6; 196.6; 197.6; 198.6; 199.6; 200.6; 201.6; 202.6; 203.6; 204.6; 205.6; 206.6; 207.6; 208.6; 209.6; 210.6; 211.6; 212.6; 213.6; 214.6; 215.6; 216.6; 217.6; 218.6; 219.6; 220.6; 221.6; 222.6; 223.6; 224.6; 225.6; 226.6; 227.6; 228.6; 229.6; 230.6; 231.6; 232.6; 233.6; 234.6; 235.6; 236.6; 237.6; 238.6; 239.6; 240.6; 241.6; 242.6; 243.6; 244.6; 245.6; 246.6; 247.6; 248.6; 249.6; 250.6; 251.6; 252.6; 253.6; 254.6; 255.6; 256.6; 257.6; 258.6; 259.6; 260.6; 261.6; 262.6; 263.6; 264.6; 265.6; 266.6; 267.6; 268.6; 269.6; 270.6; 271.6; 272.6; 273.6; 274.6; 275.6; 276.6; 277.6; 278.6; 279.6; 280.6; 281.6; 282.6; 283.6; 284.6; 285.6; 286.6; 287.6; 288.6; 289.6; 290.6; 291.6; 292.6; 293.6; 294.6; 295.6; 296.6; 297.6; 298.6; 299.6; 300.6; 301.6; 302.6; 303.6; 304.6; 305.6; 306.6; 307.6; 308.6; 309.6; 310.6; 311.6; 312.6; 313.6; 314.6; 315.6; 316.6; 317.6; 318.6; 319.6; 320.6; 321.6; 322.6; 323.6; 324.6; 325.6; 326.6; 327.6; 328.6; 329.6; 330.6; 331.6; 332.6; 333.6; 334.6; 335.6; 336.6; 337.6; 338.6; 339.6; 340.6; 341.6; 342.6; 343.6; 344.6; 345.6; 346.6; 347.6; 348.6; 349.6; 350.6; 351.6; 352.6; 353.6; 354.6; 355.6; 356.6; 357.6; 358.6; 359.6; 360.6; 361.6; 362.6; 363.6; 364.6; 365.6; 366.6; 367.6; 368.6; 369.6; 370.6; 371.6; 372.6; 373.6; 374.6; 375.6; 376.6; 377.6; 378.6; 379.6; 380.6; 381.6; 382.6; 383.6; 384.6; 385.6; 386.6; 387.6; 388.6; 389.6; 390.6; 391.6; 392.6; 393.6; 394.6; 395.6; 396.6; 397.6; 398.6; 399.6; 400.6; 401.6; 402.6; 403.6; 404.6; 405.6; 406.6; 407.6; 408.6; 409.6; 410.6; 411.6; 412.6; 413.6; 414.6; 415.6; 416.6; 417.6; 418.6; 419.6; 420.6; 421.6; 422.6; 423.6; 424.6; 425.6; 426.6; 427.6; 428.6; 429.6; 430.6; 431.6; 432.6; 433.6; 434.6; 435.6; 436.6; 437.6; 438.6; 439.6; 440.6; 441.6; 442.6; 443.6; 444.6; 445.6; 446.6; 447.6; 448.6; 449.6; 450.6; 451.6; 452.6; 453.6; 454.6; 455.6; 456.6; 457.6; 458.6; 459.6; 460.6; 461.6; 462.6; 463.6; 464.6; 465.6; 466.6; 467.6; 468.6; 469.6; 470.6; 471.6; 472.6; 473.6; 474.6; 475.6; 476.6; 477.6; 478.6; 479.6; 480.6; 481.6; 482.6; 483.6; 484.6; 485.6; 486.6; 487.6; 488.6; 489.6; 490.6; 491.6; 492.6; 493.6; 494.6; 495.6; 496.6; 497.6; 498.6; 499.6; 500.6; 501.6; 502.6; 503.6; 504.6; 505.6; 506.6; 507.6; 508.6; 509.6; 510.6; 511.6; 512.6; 513.6; 514.6; 515.6; 516.6; 517.6; 518.6; 519.6; 520.6; 521.6; 522.6; 523.6; 524.6; 525.6; 526.6; 527.6; 528.6; 529.6; 530.6; 531.6; 532.6; 533.6; 534.6; 535.6; 536.6; 537.6; 538.6; 539.6; 540.6; 541.6; 542.6; 543.6; 544.6; 545.6; 546.6; 547.6; 548.6; 549.6; 550.6; 551.6; 552.6; 553.6; 554.6; 555.6; 556.6; 557.6; 558.6; 559.6; 560.6; 561.6; 562.6; 563.6; 564.6; 565.6; 566.6; 567.6; 568.6; 569.6; 570.6; 571.6; 572.6; 573.6; 574.6; 575.6; 576.6; 577.6; 578.6; 57

HOME NEWS

Thatcher pledge of firm action against embassy terrorists

By Our Diplomatic Correspondent

At diplomatic moves designed to reduce tension in Iran over the siege at the Iranian Embassy in London, Mrs Margaret Thatcher sent a personal message to President Bani-Sadr early yesterday, while the Foreign Office kept in touch with Mr. Foreign Minister, Mr. Sadeq Chubbakhteh. Mrs Thatcher's message, sent through the British Ambassador in Tehran, Sir John Graham, said: "I should like you to know of my deep personal concern about the situation at the Iranian Embassy in London."

This intrusion constitutes an act of terrorism, and an infringement of the immunity of diplomatic staff which the British Government finds totally repugnant, and is acting firmly to counter."

"I hope the incident will be resolved speedily and I assure you the safety of the lives at stake will be of paramount consideration."

"The Home Secretary is personally in charge of the situation and I am taking a very close personal interest. I wish to assure you that we shall be keeping in constant touch with you and your government."

Meanwhile the Foreign Office confirmed that Mr. Qorbani had expressed his thanks for the earlier expression of British concern, sent after the siege started.

The Foreign Office has been in touch with the Ministry of Foreign Affairs in Tehran and with Mr. Qorbani in Abu

Dhabi and Dubai about aspects of handling the situation. Assurance cited: Mr. William Whitelaw, the Home Secretary, was in continual contact yesterday with developments at the Iranian Embassy at Knightsbridge (our Parliament Correspondent writes).

Although the situation prevented him from being in the Commons, to answer the questions to the Home Office, Mr. Whitelaw later made a statement to the House in which he assured that the contrary to reports of injuries, no one had been seriously hurt.

The terrorists, he said, had given an assurance that the British hostages would not be harmed. About 20 people were being held in the embassy.

Because of the delicate nature of the negotiations that were continuing between the police and the terrorists, MPs, at the suggestion of Mr. Merlyn Tees, Labour's home affairs spokesman, refrained from questioning the Home Secretary.

Mr. Tees pointed out, however, that it might be salutary for the Iranian Government to realize that this country took seriously the need to protect those in diplomatic missions.

Mr. Whitelaw said that since the incident began the building had been surrounded by the police.

They had maintained communication with the terrorists and their own staff, as well as to bring the incident to a peaceful conclusion without loss of life.

Sanctions Bill depends on Brussels meeting

By Fred Emery Political Editor

The Government's decision on what enabling Bill is required to impose economic sanctions on Iran now depends on the European Economic Community meeting of officials in Brussels next week, ministers disclosed yesterday. Indeed, it seems that the May 12 date which—failing release of the United States hostages—EEC heads of government have agreed to set for the joint implementation of sanctions may be more a flexible target than a deadline, in the view of some ministers.

Amongst them the Government believes will require new legislation are consular arrangements (although it is not clear to the Government whether existing contracts would be suspended); compensation; shipments, including tranship-

ments in Britain of goods for Iran; and financial affairs, including the possible freezing of Iranian assets.

At the weekend's Brussels meeting a further meeting of Cabinet ministers will be held to decide the terms of the legislation. The Government hopes to introduce a short enabling Bill to become effective in the order in Council in the next week. But its rapid passage would depend heavily on Opposition cooperation.

While it seems that the Government can count on the support of Mr. Peter Shore, Labour's foreign affairs spokesman, the shadow Cabinet is uncertain, and Labour's left wing is bound to oppose the move. Some Conservative backbenchers also oppose economic sanctions on principle.

Teachers' letter raises hopes about pay talks

By Diana Golds Education Correspondent

A letter sent yesterday by teachers to local authorities, clarifying their intentions regarding the continuation of serious negotiations on conditions of service, could provide the means for a breakthrough on teachers' pay negotiations, which resume today.

Mr. Douglas McAvoy, deputy general secretary of the National Union of Teachers and convenor of the teachers' side of the joint Council of Local Education Authorities (CLEA/SLT) committee, decided not to attend a secretly planned meeting with local authority leaders yesterday.

He wrote instead to Mr. Alan Ginn, under-secretary of the Local Authorities Conditions of Service Advisory Board, explaining why he believed that the replies from four of the five main teachers' unions to the employers' request for an assurance as to their intentions on conditions of service did provide a reasonable, responsible, and satisfactory response.

All four unions were willing to continue discussions to try to seek "an agreed definition on the teachers' day and year, within which the working party (on conditions of service) could recommend, and where appropriate quantify, specific responsibilities," he said.

Teachers accepted that any negotiations would seek to define, as far as was practicable, the teacher's day and duties.

Scheme to grade doctors for consultancies

By Our Health Services Correspondent

The British Medical Association is proposing a new grade of hospital doctor because too many junior doctors are trying for too few consultancy posts. Comments are to be sought from members on a document published yesterday which proposes that there should be two categories of registrar post.

One would be for those doctors approved for the first stage of higher training in a specialty. Those posts would be limited in number to give reasonable prospect of obtaining a senior registrar's post.

The other category would be for general professional training posts suitable either for a doctor wishing to make a career in the specialty or for one intending to enter one of the allied specialties.

The document was drawn up by Dr. John Nabarro, chairman of the Joint Consultants' Committee, which draws members from the British Medical Association and The Royal Colleges. It was established to formulate policy about consultants and hospital practice.

Its proposals are designed to tackle the difficulty of those doctors who train for as long as 15 years in hospital, only to find that their hopes of becoming a consultant will never be realized.

The report, *Hospital Staffing in the 1980s*, was presented to the BMA's central committee for hospital medical services yesterday.

No damages for boy blind for life

A boy aged five blinded for life after being given oxygen after his premature birth failed to win damages yesterday in a negligence claim against a hospital authority.

"Robert" was only about the size and weight of a two-pound bag of sugar when he was born in 1975.

Mr. Justice May in the High Court in London said he was not satisfied that giving the baby oxygen treatment for the first 36 hours of his life played any substantial part in his developing an eye condition which led to total blindness.

The boy would have received £7,500 damages had he won his claim against Kensington, Chelsea and Westminster Area Health Authority and Dr. Hanley M. T. Coles, consultant paediatrician. They had denied acting negligently.

The boy is in the care of Westminster City Council and had sued through Mr. Francis Fowler, the Director of Social Services.

The judge said that although it was contrary to good practice to place the boy in an oxygen enriched atmosphere for the first 36 hours, his condition did not develop as a result of it. He had been born after only 28 weeks gestation, at West-

minster Hospital, and was transferred the same day to Westminster Children's Hospital, where he received the treatment.

The judge said he regretted to have to hold that in being given an oxygen enriched atmosphere, even to the extent of care accorded to the baby fell below that expected of a hospital holding itself out as capable of taking care of premature babies.

He was not satisfied that keeping the boy in excess ambient oxygen for the first 36 hours played more than a minimal, if any, part in the subsequent tragedy.

Although the 36 hours covered a period when Robert was not at risk, relatively the ambient oxygen concentration was not greatly in excess of normal or as high as it was on occasions later.

Even though Robert may have been most at risk during those 36 hours, he still remained a premature, very small and, on occasions, very unwell baby throughout the next three or four weeks.

By the end of that period the damage was complete and irreversible. The judge said he would not convict the defen-

Atmosphere by embassy varies from carnival to fear

Police separate chanting groups

By Nicholas Timmins

The atmosphere near the Iranian Embassy at Princes Gate, Kensington, changed yesterday from farce and near carnival to moments of frightening nationalist fervour when rival groups of chanting demonstrators faced each other in the warm spring sunshine while the hostages sat out the second day of their ordeal.

A policeman received a suspected broken ankle and several arrests were made when police separated two groups of pro-Khomeini Iranians. Five policemen struggled to pin down a frantic demonstrator who lashed out with hands and feet.

There were other arrests later when police eased a group of British and Americans away from more than 100 Iranians kept by the police in the park. The main group of about 200 in Kensington Road were penned between lines of policemen.

A banner saying "Free the Yanks" was hung from a block

of flats and a group of about 100 Britains and Americans, led by students from Imperial College, sang *Rude Britannia* and the British and American national anthems and shouted: "Go home you bums." The Iranians in the park, amid a crowd of several hundred people, retorted by chanting pro-Khomeini and anti-American slogans.

The students brought a piano to lead the singing and a group of drum-beating, saffron-robed Buddhists appeared, only to be shepherded by police away from the main demonstration.

At one point some of the British crowd knelt and prayed in mock Muslim style at the Iranians and posters proclaiming "Want to die for Khomeini? then drop dead" and "Stop bloodshed in Iraq" were waved.

An American youth from New York who told the Iranian press that he had nothing against them, was lifted to their shoulders while they chanted "Long live the American nation."

The main crowd of Iranians, some carrying blankets with which to bed down for the night on the road, alternated between silence and shouting slogans. Late in the afternoon a mullah appeared to lead the chanting by the Iranians in the park and those in the road.

A false report on the radio saying that the British Embassy in Iran had been occupied stimulated the Iranians into cheering and dancing.

Protest over raid: About 50 May Day demonstrators, many of them Iranians, gathered outside the United States Embassy in London yesterday to protest against the unsuccessful American attempt to free the hostages held in Iran. (A Staff Reporter writes).

A group calling itself the Socialist Organizer and Iranians living in Britain handed in a note at the embassy in Grosvenor Square calling on the United States to recognize the right of Iranians to self-determination and to abandon military threats and a faction against Iran.

After-care important for hostages

By Jacob Ecclestone

Unless preparations are made for their after-care, those taken hostage in the Iranian embassy are likely to suffer long-term effects from their ordeal.

A study carried out for the Dutch Government by the department of psychiatry at Leyden University after seven cases of hijacking and kidnappings involving nearly 300 hostages between 1974 and 1977 contains firm recommendations on the sort of help hostages and their families should be given.

They include an immediate reception centre for the victims; a centre for their relatives, which they should be encouraged to organize themselves; help by doctors, nurses and social workers; and suggestions that victims make use of facilities for consulting with psychiatrists and psychologists.

Dutch report, based on interviews with 168 former hostages between 1977 and 1979, was expected to disclose

similarities between wartime imprisonment and the taking of hostages.

Professor J. Bastiaans, chairman of the investigating team, carried out research into the interrogation of IRA suspects in Northern Ireland which later led to a complaint against Britain at the European Commission of Human Rights.

The short-term effects of being held hostage, those that show up within four weeks, were insomnia, tension, phobias, with women showing stronger effects than men.

Long-term effects, found among two thirds of those held hostage, were irritability, vague physical complaints, a strong preoccupation with the fact of having been a hostage and feelings of being misunderstood.

Again, women showed stronger symptoms than men. Understandably, the length of captivity was reflected in the strength of the effects.

A distinction was drawn between positive and negative effects, for more than half the

people held hostage reported later that they were able "to see the relativity of things."

One conclusion of the report is that each new case of hostage-taking had the effect of reviving previous fears and stress among earlier victims.

Emphasising that most of those released from hostage greatly appreciated after-care, the report says that the initiative for help must come from the doctor or social worker rather than the victim.

It was important that former hostages should "get the opportunity to talk about their experiences during the first hours after their release."

The process of adjustment, release, was also examined, and the report says that "positive thinking," diversions, belief in God and especially contact with fellow hostages were important.

Two other findings were that negative after-effects tended to be weaker among older and more highly educated people.



A pro-Khomeini demonstrator holding a picture of the ayatollah outside the Iranian Embassy in London yesterday.

Arsenal fan and monk join siege protesters

By John Witherow

The statue of Dr David Livingstone leaning heavily on his walking stick appeared slightly bemused by the bizarre spectacle unfolding before him on May Day in Kensington Gore, London.

The explorer's view of Hyde Park, 200 yards from the besieged Iranian embassy, was obscured by two giant hydraulic television platforms, scores of camera tripods and a fair smattering of the world's press.

Towards the Albert Hall several hundred Iranian students marched in a circle in the street, chanting slogans within earshot of the hostages and the gunmen who sieged the embassy just before midday on Wednesday.

To compound the untypicality of the Kensington scene a Japanese Buddhist monk dressed in flowing robes, appeared briefly beating a dharna drum. "I am here to pray for peace and prevent a possible disaster," he said, liveliest among the Hyde Park defiants.

Many were wearing white smocks bearing slogans written in red paint stating: "We give our last drop of blood for (Ayatollah) Khomeini" and "Long live Khomeini".

They kept up an almost continuous chant demanding the release of the hostages and expressing their support for the Iranian religious leader. "We are all your soldiers Khomeini, ready for your orders" and "We will defeat Carter, we promise you Imam, we will defeat the torturers."

They were not the only people with a cause. A man among the crowd of onlookers defiantly held up a placard saying: "Arsenal for the Cup".

Mr. Seid Said, a student, said when asked what the point of the demonstration was: "We defeated the Shah in the same way—just with chanting."

He said the gunmen were not Iranians but men backed by the Americans and speaking with an accent which indicated they were educated in Lebanon.

Historic hall to be opened to public

From John Young Bridgnorth, Shropshire

With some trepidation the National Trust is preparing to open to the public one of its latest and most cherished acquisitions, Dudmaston Hall, near Bridgnorth, Shropshire in about two months' time.

Its trepidation comes from the fact that Dudmaston is too small to withstand mass tourism. Architecturally the house is of no great distinction, dating from the beginning of the eighteenth century, with some Palladian touches superimposed more than a century later.

However, its history, surroundings and contents distinguish it. Until it was given to the trust two years ago it had not changed ownership except by inheritance, and both gardens and estate are considered classic examples of their kind.

The house was built by Sir Thomas Wolryche and subsequently became the home of the Wolryche-Whitmore family. The last owner was Lady Labouchere, who still lives there with her husband, a retired diplomat.

In the four main rooms to be opened to the public, a special "timed" ticket system will operate to prevent overcrowding; some small galleries will also be open in the south wing. Their contents include a fine collection of modern paintings.

Visitors will also be free to roam the glorious gardens, which slope down to a lake and are modelled on the lost Leasowes of William Shenstone.

Dudmaston will open on Wednesdays from 2.15 to 6.30 pm, and on Thursdays for pre-booked parties only. The opening day has yet to be decided.



Business Equipment
A Division of Philips Business Systems

Something new to remember



Meet the new Philips 585 Pocket Memo. This tough, lightweight little unit was designed for easy one handed operation. Record, playback, fast forward and fast rewind are virtually fumble-proof.

The 585 takes standard Philips Mini-cassettes, giving you a total of 30 minutes' dictating time.

It's an all-new machine, so it has some pretty advanced features.

Automatic voice control to make sure your words ring evenly and clearly.

And LED light to tell you you're recording; that there's a cassette in place, and that your battery has enough power.

For such an advanced pocket memo, the Philips 585 has a surpris-

ingly low price. Around £65. Excellent value in these inflationary times. Which makes it all the more worth remembering.



I've remembered to fill in the coupon. Please don't forget to send me full details of the Philips 585 Pocket Memo.

Name _____

Position _____

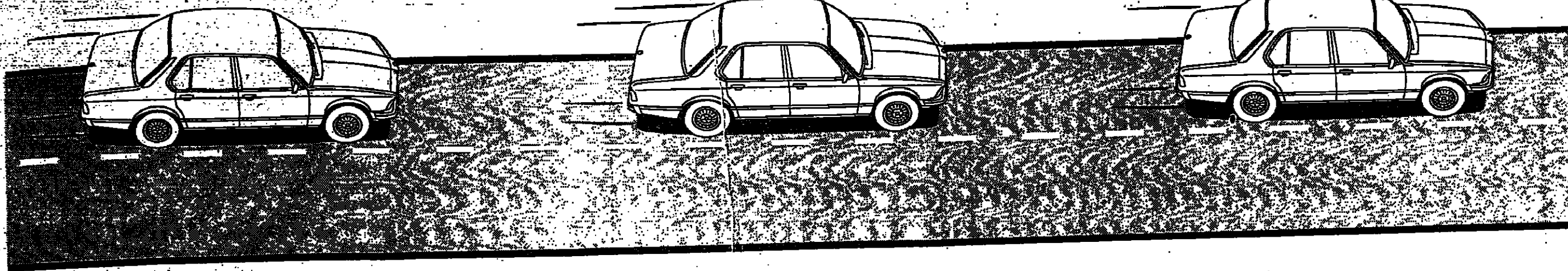
Company _____

Address _____

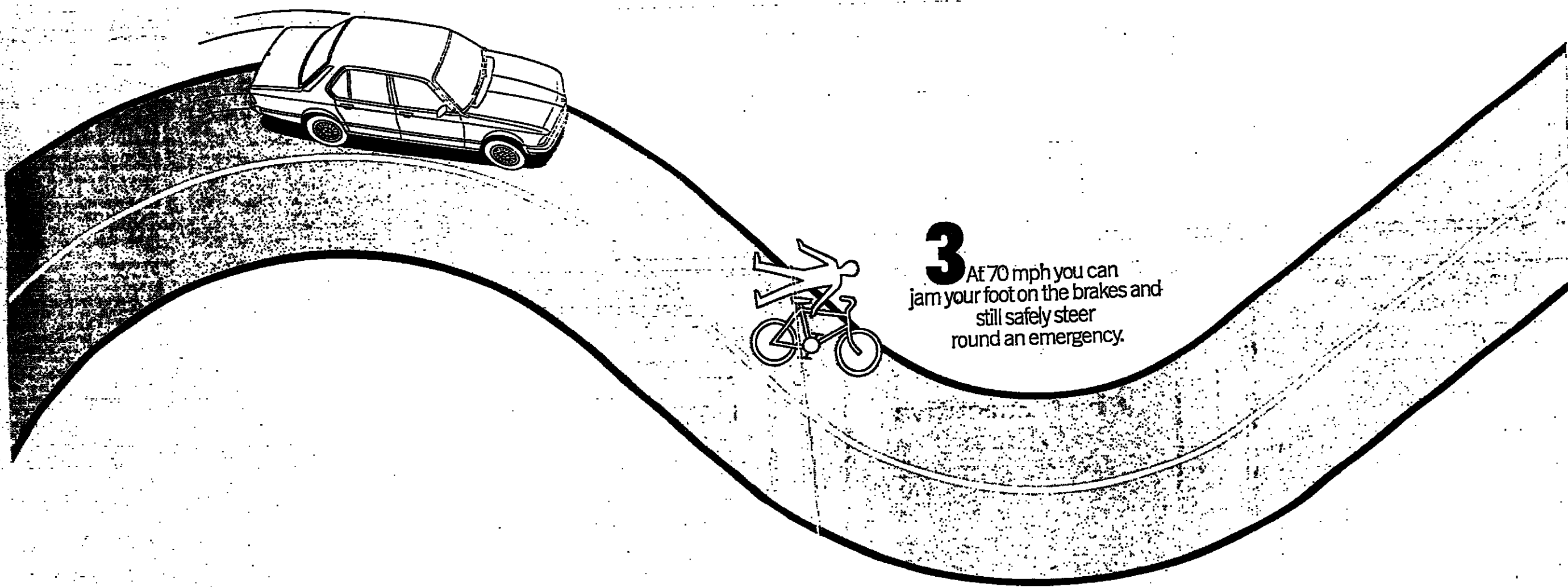
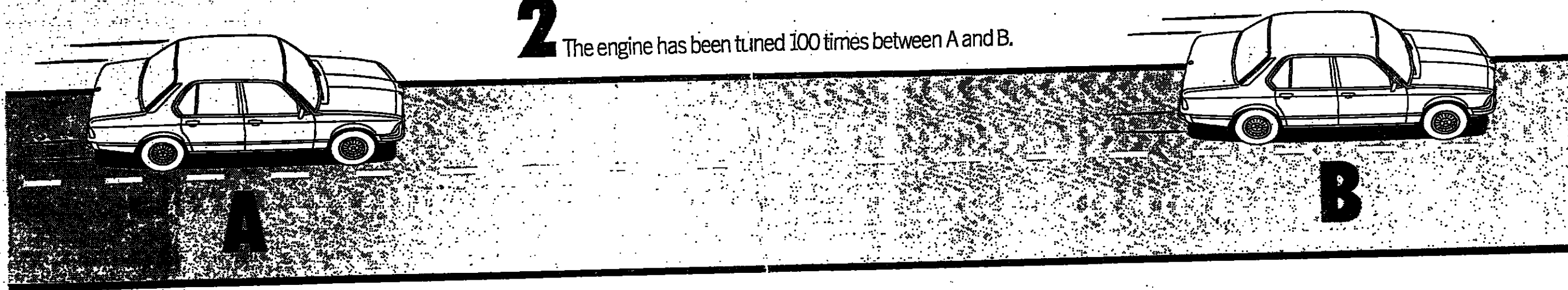
Tel. No. _____

Philips Business Equipment, Arundel Great Court, 8 Arundel Street, London WC2R 3DT

70 mph. Now it is again.



The engine has been tuned 100 times between A and B.



THE ULTIMATE DRIVING MACHINE

**YOU HAVE BEEN READING ABOUT THE WORLD'S FIRST ELECTRONIC CAR, THE BMW 7 SERIES.
YOU ARE NOW INVITED TO DRIVE IT.**

[illegible]

WEST EUROPE

The Pope embarks on six-nation tour of black Africa

From John Earle
Rome, May 1

The Pope flies tomorrow in Kinshasa, Zaire, on the first stage of an exhausting 11,000-mile tour of black Africa that will take him to six countries in 10 days. It will be his first foreign trip this year, but will be followed in coming months by visits to France, Brazil and the Philippines.

The Pope has emphasized the religious nature of the journey to Zaire, the Congo, Kenya, Ghana, Upper Volta and Ivory Coast. His purpose, he said recently, would be above all religious, a journey of friendship and brotherly love, to greet the populations and, knowing them better, to be able to love them better.

The Polish-born Pope will be able to gain a first-hand, if fleeting, impression of the problems facing the Roman Catholic Church in Africa, such as the pressure of Islam from the north and east, or the difficulties of running church schools in some countries. In Zaire the state took over the Church's schools in the mid-1970s though

it later handed them back, and in the Congo they are still nationalized. In all six countries, where the Roman Catholics are estimated to total 18 million, he will meet the president and political as well as ecclesiastical authorities.

The visits to Zaire, the Congo, and Ghana are particularly significant, as 1980 marks the centenary of the evangelization of those countries by Roman Catholic missionaries.

In a flying first to Zaire, the pontiff has chosen to start with the country with the largest Roman Catholic population, estimated at about 11 million. On Monday he crosses the Congo River by boat to neighbouring Congo.

The stay in Kenya, from Tuesday afternoon until early Thursday morning, will include a meeting with Muslims. After his arrival in Accra, Ghana, on Thursday the Pope will undertake baptisms and confirmations at an open-air Mass. On Saturday he visits Upper Volta—one of the poorest countries of the continent—before flying to Ivory Coast.

Herr Schmidt takes up invitation to Moscow

From Patricia Clough
Bonn, May 1

Herr Helmut Schmidt, the Chancellor, disclosed today that he has decided to accept President Brezhnev's invitation to speak at a trade union May Day rally, he let slip that he would "see the Soviet leaders in Moscow". He would tell them to "start pulling your troops out of Afghanistan, where they do not belong."

The Chancellor was due to visit Moscow early this year, but when the Soviet Union intervened in Afghanistan arrangements for the trip had to be postponed. When the Soviet Union asked him to discuss a date recently, he postponed it again.

Herr Schmidt's spokesman has repeatedly emphasized that he would not be going as a mediator.

Protesters fail to reach Queen in Switzerland

From Alan McGregor
Geneva, May 1

A noisy, anti-royalist demonstration failed today to mar the happy progress of the Queen's visit to Switzerland when she visited Grün 80, the national gardens and environment exhibition, at Basle. About 250 demonstrators, shouting "Queen go home!", were intercepted by police before getting within earshot of the royal party.

A dozen people were detained and placards, plastic bags of paint and rotten eggs were seized. The demonstrators, thought to be from the far-left fringe, had left May Day parade through the city.

The only other event on the programme, restricted after yesterday's strenuous day, in western Switzerland, was a banquet tonight at the British Ambassador's residence in Bern.

For Grün 80 in balmy weather, the Queen was in a salmon-pink two-piece suit, with hat of darker pink—a change from the first two days of the visit when she wore coats and matching hats.

Because of his invitation to tonight's dinner at the embassy, Mr Willy Ritscher, the Socialist Finance Minister, delivered his traditional May Day address last night at Kirchberg, near Bern.

He spoke in a somewhat discarded his prepared text, which, nevertheless, was published in today's newspapers. In it, the minister expressed astonishment at the Swiss public's interest, as reflected in the "yellow press", in details such as "the clothes the Queen is wearing, including underwear and petticoats. Many people are more interested in things than in their own digestion."

Four planes on same flight level

By Frances Gibb

A four-aircraft cleared for the same flight level by Spanish air traffic controllers at the time of the Pan-Air Boeing 727 crash in Tenerife. The British Airways plane, which killed all 146 people on board, it was unofficially disclosed yesterday.

The aircraft was a Spanish-owned Iberia Airlines light aircraft which was heading for the new airport in the south of the island, Queen Isabella II.

It has now emerged that in addition to the Boeing 727, which crashed on a mountain side 11 miles south of Los Rodeos, there was a Boeing 737 of Britannia Airways, the package holiday carrier, operating from Luton, a Boeing 708 of British Airways, the British Airways package holiday subsidiary airline, based at Gatwick, and the light aircraft all at the same flight level.

The 737 crew questioned the flight level, given when they heard a similar level being given to the 707 and it was changed. They have now filed an air crash report.

About 172 miles north of Tenerife there is a change from Portuguese to Spanish air traffic control and four aircraft would have come under the Spanish controllers.

Seconds before the accident, the airliner reported a ground proximity warning to the control tower, it now emerges. The commission of inquiry at Tenerife has said that the tapes from the control tower, recording communication between the tower and the aircraft, show that the last radio call from the Boeing 727 was at 14.21.

The proximity warning was "whoop, whoop, pull up, pull up" signal, sounding in the cockpit. Previously it had been thought last contact was at 14.19.

At that time, the aircraft was cleared for 5,000 feet, but at that point, if following the laid-down landing procedure, it would have begun to descend at roughly 3,000 ft a mile.

The black box, or flight data recorder, was sent to Madrid for analysis and results, which will be sent to the Accidents Investigation Board at Farnborough, are expected in a few days. The 100 ft tape will give details of engine power, pitch and roll and functioning of the instruments.

Identification of the bodies, mostly by teeth (dental records are being wired to Tenerife) is continuing and is now about half-way through, a Pan-Air official said yesterday. It is not going to be possible to identify every corpse by name but all will be flown home, probably in two and a half weeks' time.

Swedish call for resignation of Government

From Roger Choate
Stockholm, May 1

Swedish union leaders addressing cheering May Day crowds here demanded the resignation of the Government as Sweden moved closer to industrial chaos.

Mr Gunnar Nilsson, chairman of the Swedish Trade Union Federation, said the Government of Mr Thorbjörn Fälldin was "in collusion with industry" to reduce living standards to solve Sweden's economic problems.

The Swedish Employers' Federation yesterday ordered a lock-out of 500,000 blue collar workers from tonight.

Mr Nilsson, in response, ordered selective strikes by about 100,000 workers in key sectors. Their strike will stop production in mines and of steel, paper and pulp.

OVERSEAS



May Day marchers in Red Square carrying a placard demanding an end to "imperialist meddling" in Afghanistan.

British envoy joins ambassadors' boycott of May Day parade in Moscow

From Michael Binyon
Moscow, May 1

Sir Curtis Keeble, the British Ambassador in Moscow, today joined an informal boycott by 16 countries which refused to send senior diplomats to the annual May Day parade in Red Square.

The countries, which included 11 members of Nato, did not send their ambassadors or senior officials. The British Ambassador, Sir Curtis Keeble, was in Moscow for a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float bore the slogan "We are with you, revolutionary people of Afghanistan."

The other countries in the boycott included Australia, Belgium, Canada, China, Denmark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

President Brezhnev, looking tired and relaxed after a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float bore the slogan "We are with you, revolutionary people of Afghanistan."

The other countries in the boycott included Australia, Belgium, Canada, China, Denmark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

President Brezhnev, looking tired and relaxed after a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float bore the slogan "We are with you, revolutionary people of Afghanistan."

The other countries in the boycott included Australia, Belgium, Canada, China, Denmark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

President Brezhnev, looking tired and relaxed after a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float bore the slogan "We are with you, revolutionary people of Afghanistan."

The other countries in the boycott included Australia, Belgium, Canada, China, Denmark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

President Brezhnev, looking tired and relaxed after a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float bore the slogan "We are with you, revolutionary people of Afghanistan."

The other countries in the boycott included Australia, Belgium, Canada, China, Denmark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

mark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

President Brezhnev, looking tired and relaxed after a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float bore the slogan "We are with you, revolutionary people of Afghanistan."

The other countries in the boycott included Australia, Belgium, Canada, China, Denmark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

President Brezhnev, looking tired and relaxed after a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float bore the slogan "We are with you, revolutionary people of Afghanistan."

The other countries in the boycott included Australia, Belgium, Canada, China, Denmark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

President Brezhnev, looking tired and relaxed after a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float bore the slogan "We are with you, revolutionary people of Afghanistan."

The other countries in the boycott included Australia, Belgium, Canada, China, Denmark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

President Brezhnev, looking tired and relaxed after a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float bore the slogan "We are with you, revolutionary people of Afghanistan."

The other countries in the boycott included Australia, Belgium, Canada, China, Denmark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

President Brezhnev, looking tired and relaxed after a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float bore the slogan "We are with you, revolutionary people of Afghanistan."

The other countries in the boycott included Australia, Belgium, Canada, China, Denmark, West Germany, Ireland, Italy, Japan, Norway, Pakistan, Portugal, the Netherlands, and the United States.

President Brezhnev, looking tired and relaxed after a three-week holiday in the Crimea, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the Foreign Minister, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

supporters of the anarchist trade union, the National Labour Confederation, a small breakaway group failed to disperse when police asked them. Police used tear-gas grenades and there were clashes in which nine people were injured.

Paris: Thousands marched through the streets, but supporters of the two main trade union confederations marched in opposite directions. They were unable to agree, despite long negotiations, to mount their traditional unified parade.

Tel Aviv: More than 120,000 trade unionists paraded here in an unprecedented anti-Government demonstration. Sanctions against Chile, by opposition labour organizations were arrested briefly by the police and freed after Italian Embassy officials intervened.

Police patrolled the almost deserted streets and a Mass, traditionally celebrated on May 1 in the cathedral, was cancelled by Archbishop Silva Henriquez because of threats of violence.

Madrid: At the end of a May Day march by several thousand

wounded, and about 1,000 people arrested. The death occurred during an unauthorized rally in the Mediterranean city of Antalya, where demonstrators are alleged to have attacked security forces. One demonstrator was killed and four people wounded, two of them policemen.

Tehran: Motorcycle gangs rode into a May Day rally here and violent clashes broke out when they threw stones at a speaker and drove at full speed into crowds of left-wing Mujahideen E-Khalq supporters. One youth was dragged from his machine and attacked.

Hundreds of anti-Mujahideen rioters joined the fray, mostly religious extremists. They attacked the building where the rally was being held and threw stones at the audience from the first floor. At least 40 people were injured.

In a message to Iranians, Ayatollah Khomeini said May Day was to be observed as "The day for burying the superpowers' dominance".

Madrid: At the end of a May Day march by several thousand

wounded, and about 1,000 people arrested. The death occurred during an unauthorized rally in the Mediterranean city of Antalya, where demonstrators are alleged to have attacked security forces. One demonstrator was killed and four people wounded, two of them policemen.

Tehran: Motorcycle gangs rode into a May Day rally here and violent clashes broke out when they threw stones at a speaker and drove at full speed into crowds of left-wing Mujahideen E-Khalq supporters. One youth was dragged from his machine and attacked.

Hundreds of anti-Mujahideen rioters joined the fray, mostly religious extremists. They attacked the building where the rally was being held and threw stones at the audience from the first floor. At least 40 people were injured.

In a message to Iranians, Ayatollah Khomeini said May Day was to be observed as "The day for burying the superpowers' dominance".

Madrid: At the end of a May Day march by several thousand

wounded, and about 1,000 people arrested. The death occurred during an unauthorized rally in the Mediterranean city of Antalya, where demonstrators are alleged to have attacked security forces. One demonstrator was killed and four people wounded, two of them policemen.

Tehran: Motorcycle gangs rode into a May Day rally here and violent clashes broke out when they threw stones at a speaker and drove at full speed into crowds of left-wing Mujahideen E-Khalq supporters. One youth was dragged from his machine and attacked.

Hundreds of anti-Mujahideen rioters joined the fray, mostly religious extremists. They attacked the building where the rally was being held and threw stones at the audience from the first floor. At least 40 people were injured.

In a message to Iranians, Ayatollah Khomeini said May Day was to be observed as "The day for burying the superpowers' dominance".

Madrid: At the end of a May Day march by several thousand

wounded, and about 1,000 people arrested. The death occurred during an unauthorized rally in the Mediterranean city of Antalya, where demonstrators are alleged to have attacked security forces. One demonstrator was killed and four people wounded, two of them policemen.

Tehran: Motorcycle gangs rode into a May Day rally here and violent clashes broke out when they threw stones at a speaker and drove at full speed into crowds of left-wing Mujahideen E-Khalq supporters. One youth was dragged from his machine and attacked.

Hundreds of anti-Mujahideen rioters joined the fray, mostly religious extremists. They attacked the building where the rally was being held and threw stones at the audience from the first floor. At least 40 people were injured.

supporters of the anarchist trade union, the National Labour Confederation, a small breakaway group failed to disperse when police asked them. Police used tear-gas grenades and there were clashes in which nine people were injured.

Paris: Thousands marched through the streets, but supporters of the two main trade union confederations marched in opposite directions. They were unable to agree, despite long negotiations, to mount their traditional unified parade.

Tel Aviv: More than 120,000 trade unionists paraded here in an unprecedented anti-Government demonstration. Sanctions against Chile, by opposition labour organizations were arrested briefly by the police and freed after Italian Embassy officials intervened.

Police patrolled the almost deserted streets and a Mass, traditionally celebrated on May 1 in the cathedral, was cancelled by Archbishop Silva Henriquez because of threats of violence.

Madrid: At the end of a May Day march by several thousand

wounded, and about 1,000 people arrested. The death occurred during an unauthorized rally in the Mediterranean city of Antalya, where demonstrators are alleged to have attacked security forces. One demonstrator was killed and four people wounded, two of them policemen.

Tehran: Motorcycle gangs rode into a May Day rally here and violent clashes broke out when they threw stones at a speaker and drove at full speed into crowds of left-wing Mujahideen E-Khalq supporters. One youth was dragged from his machine and attacked.

Hundreds of anti-Mujahideen rioters joined the fray, mostly religious extremists. They attacked the building where the rally was being held and threw stones at the audience from the first floor. At least 40 people were injured.

In a message to Iranians, Ayatollah Khomeini said May Day was to be observed as "The day for burying the superpowers' dominance".

Madrid: At the end of a May Day march by several thousand

wounded, and about 1,000 people arrested. The death occurred during an unauthorized rally in the Mediterranean city of Antalya, where demonstrators are alleged to have attacked security forces. One demonstrator was killed and four people wounded, two of them policemen.

Tehran: Motorcycle gangs rode into a May Day rally here and violent clashes broke out when they threw stones at a speaker and drove at full speed into crowds of left-wing Mujahideen E-Khalq supporters. One youth was dragged from his machine and attacked.

Hundreds of anti-Mujahideen rioters joined the fray, mostly religious extremists. They attacked the building where the rally was being held and threw stones at the audience from the first floor. At least 40 people were injured.

In a message to Iranians, Ayatollah Khomeini said May Day was to be observed as "The day for burying the superpowers' dominance".

Madrid: At the end of a May Day march by several thousand

wounded, and about 1,000 people arrested. The death occurred during an unauthorized rally in the Mediterranean city of Antalya, where demonstrators are alleged to have attacked security forces. One demonstrator was killed and four people wounded, two of them policemen.

Tehran: Motorcycle gangs rode into a May Day rally here and violent clashes broke out when they threw stones at a speaker and drove at full speed into crowds of left-wing Mujahideen E-Khalq supporters. One youth was dragged from his machine and attacked.

Hundreds of anti-Mujahideen rioters joined the fray, mostly religious extremists. They attacked the building where the rally was being held and threw stones at the audience from the first floor. At least 40 people were injured.

In a message to Iranians, Ayatollah Khomeini said May Day was to be observed as "The day for burying the superpowers' dominance".

Madrid: At the end of a May Day march by several thousand

wounded, and about 1,000 people arrested. The death occurred during an unauthorized rally in the Mediterranean city of Antalya, where demonstrators are alleged to have attacked security forces. One demonstrator was killed and four people wounded, two of them policemen.

Tehran: Motorcycle gangs rode into a May Day rally here and violent clashes broke out when they threw stones at a speaker and drove at full speed into crowds of left-wing Mujahideen E-Khalq supporters. One youth was dragged from his machine and attacked.

Hundreds of anti-Mujahideen rioters joined the fray, mostly religious extremists. They attacked the building where the rally was being held and threw stones at the audience from the first floor. At least 40 people were injured.

West Bank tension rises after Arab youth killed

From Christopher Walker
Jerusalem, May 1

Dangerous escalating tension between Arabs and Jews in the occupied West Bank was further exacerbated today by the death of an Arab schoolboy aged 17 who was shot during a scuffle with an Israeli officer in the small town of Anabta.

The shooting came after one of the worst weeks of civil disturbances in the region since it was seized from Jordan during the 1967 war. It was soon followed by sporadic commercial strikes and an Israeli military government ban on attempts to elect Arab mayors to hold an emergency meeting to coordinate protest action.

Palestinian sources said the dead youth was Mr Ahmed Chouli, adding that he was the first Arab to be shot dead by an Israeli in the occupied territories since early last year. They predicted that the incident would have far-reaching repercussions among the 700,000 Palestinians living in the West Bank.

Over the past eight days, the area has been marked by numerous angry Palestinian demonstrations against Israeli military and private vehicles, retaliatory attacks on Arab property by right-wing Jewish settlers, and a series of strikes which have closed shops, businesses and schools.

Earlier this week, Israel's respected Hebrew daily *Haaretz*, said in an editorial that recent developments in the occupied territories hinted at "civil rebellion" and posed the threat of violence on the scale now experienced in Northern Ireland. Many moderate Israeli politicians have expressed a similar view.

According to an Israeli military government spokesman, today's shooting occurred after two senior Israeli officers had gone to the high school in Anabta in response to a request to restore order after a demonstration by hundreds of local schoolchildren. The young Arabs were protesting against a recent incident in Ramallah when four Palestinians were wounded.

The Israeli authorities said that the three Arab youths, one wielding a knife and waving a Palestinian flag, attacked the two officers with rocks. During the ensuing scuffle, one Arab was killed when a gun was discharged as he was fighting on the ground with an Israeli carrying an AK-47 rifle. The two other Arabs were injured. The military government official said that during the incident, the Israelis were stoned by other Palestinian children. He insisted that only two Israelis had been present at the school at the time the boy was killed.

There were conflicting reports from Palestinian sources who claimed that Israel troops had gone to the school to break up a protest demonstration. "The point is that once again an unarmed Palestinian has been killed by an Israeli bullet. This is the same old vicious sequences," said one Palestinian spokesman in East Jerusalem. The incident coincided with the official start in a Tel Aviv suburb of the new round of intensive negotiations on Palestinian autonomy designed to reach agreement by the May 26 target date.

Ethiopia claims victory over secessionists

From Our Correspondent
Nairobi, May 1

Eritrean secessionist guerrilla units which had cut off the Red Sea port of Assab from part of the adjoining area, have been wiped out by Ethiopian troops after a fierce battle in the coastal area north-west of Assab. Addis Ababa radio announced today.

There has been intensive guerrilla activity from Eritrean groups operating along the Red Sea coast in this area. The Ethiopian Government says that region has now been cleared of "secessionist traitors".

Carrington-Muskie talks may centre on Iran oil

By David Spenser
Diplomatic Correspondent

The next stage in Western efforts to secure the release of the American hostages in Iran will be the main issue of Lord Carrington's talks in Washington with Senator Edmund Muskie, the newly nominated Secretary of State. The Foreign Secretary's visit is going ahead as planned, starting tomorrow. The idea of a Western boycott of Iranian oil, if economic sanctions do not have their intended effect, is understood to be gaining favour in American circles. There are serious difficulties in putting such a boycott into practice, both in terms of arranging to share American and British oil among Western countries, and in its legal implications.

Export of Iranian oil to Japan, for example, would require congressional authority, and any move to get the American partners to increase production to help Japan might run up against anti-trust legislation. (The prospect of Saudi Arabia's agreeing to a rise in output does not seem too bright, in any case, in view of the expected screening by public service television stations in America of *Death of a Princess*.)

Lord Carrington, though he does not go to Washington as an EEC spokesman, will report on the recent meeting of Community foreign ministers, which decided to impose sanctions against Iran. The date set for sanctions coming into force in the absence of decisive progress on release of the hostages is May 17.

There is no reason to suppose that Senator Muskie will propose any change in this time-table on the contrary, the matter is seen as more urgent after the failure of an American rescue attempt. It is because economic sanctions themselves may prove insufficient that attention is turning to the feasibility of an oil boycott.

The decision to ask for the withdrawal of Mr Craig was taken just after that programme was shown, and some observers believe that the Saudi Government had been waiting in the hope that the BBC would present a more "positive" image of the country, to redress some of the damage done by the ATV film. The moderates who opposed an open breach with Britain, it is suggested, found they had no leg to stand on when "even the BBC" presented an unfavourable picture.

There is little doubt that there was a division within the Royal Family about how to react, and that some would have preferred to ignore the film as being "beneath contempt". It is thought to have been the older members—Prince Muhammad, the grandfather of the executed princess, Prince Abdullah, commander of the National Guard, and the King himself—who insisted on taking a firm line, while Prince Fahd and Prince Saud, the Foreign Minister, probably favoured a more pragmatic line.

The decision to ask for the withdrawal of Mr Craig was taken just after that programme was shown, and some observers believe that the Saudi Government had been waiting in the hope that the BBC would present a more "positive" image of the country, to redress some of the damage done by the ATV film. The moderates who opposed an open

HOME NEWS

London Transport may introduce 'light railway' to cut costs

By Michael Bailey
Transport Correspondent

London Transport had a "frustrating" year in 1979, with deteriorating finances and services, though with some improvements. A largely unwarranted criticism which had a demoralising effect on our staff, Mr. Ralph Bennett, the chairman, says in his annual report.

It disclosed that in an effort to cut costs the enterprise is looking at the idea of a "light railway", possibly fully automated and unattended, to link the City with Thamesmead instead of a full-scale Underground line which at £300m seems unlikely to secure the necessary finance.

There was a record loss of £31.4m, compared with the previous highest loss of £10m in 1974 and £1.5m in 1978. A main factor in the loss was wage increases totalling £45m, double the amount budgeted. Expenditure rose by £80m to £520m, but revenue rose only £50m to £479m in spite of fare rises in June and September totalling more than 20 per cent.

Greater London Council grants rose from £94m to £111m on revenue account, plus £28m (nearly double the 1978 level) on capital investment.

Bus mileage was down 4.1 per cent to 165 million (or seven million miles down on 1978); passenger miles were down 4.6 per cent to 2,690 million. As a result buses lost £54m, with traffic congestion, shortage of serviceable vehicles, and shortage of staff cited as the main reasons.

Underground mileage was down one million miles to 29 million, and passenger-miles were down about 1 per cent to 2,774 million, with staff shortages and unreliable vehicles

Farmers win curb on cheap imports of US turkeys

By Our Agricultural Correspondent

Britain severely reduced imports of turkey from the United States yesterday. The Government acted after hearing from farmers that imports threatened the survival of the British industry.

Mr Peter Walker, Minister of Agriculture, Fisheries and Food, cut the number of American factories licensed to send turkeys to Britain from 24 to three. His officials said that the other 21 had failed to meet a British deadline for making their plans meet EEC hygiene standards.

The National Turkey Federation of the United States regards this action as a protectionist move designed to shield British companies from competition.

American feed prices are less than half of those in the EEC, Mr Maurice Strokes, chairman of the British Poultry Federation, said yesterday: "We commend the minister for his courage and determination." But he gave a warning at the annual meeting of the federation that the curb on imports would last only as long as it took for American companies to make their factories match EEC standards.

Prison riot fear unless numbers are reduced

By Frances Gibb

A riot on the scale of that at Attica Prison, in New York State, in 1971, when 43 people died, is likely in the next two years unless Parliament legislates to tackle prison overcrowding, the Howard League for Penal Reform said yesterday.

Mr Louis Blom-Cooper, QC, the chairman, said in London that the Home Secretary's statement on the prison service was correct in its analysis that overcrowding was the root of the matter, but totally inadequate in its prescription.

Mr Whitelaw had said that legislation would be "unpalatable" to the judiciary. "But it is not enough to exhort the judiciary (to cut sentences); it can only be done by grasping the nettle of a review by Parliament of the maximum penalty system," he said.

The league also called for a prison ombudsman, similar to that for the National Health Service, as there was in New Zealand and Canada. The chief inspector of prisons proposed by the Home Secretary would be limited in his powers, it said.

There were immediate measures that would ease overcrowding in the short-term, he said. Sentences, except those for life, could be cut by half for all prisoners. Alternatively there could be an amnesty for some prisoners.

Advocating a reduction in the prison population by 10,000 in the next 10 months, Mr Blom-Cooper said it was not enough to propose removing prison sentences for lesser offences. The whole maximum sentencing system needed revision.

"Evidence has shown that the deterrent effect of a sentence is no different if it is 13 months, 12 months or even nine months," he said.

Mr Whitelaw had proposed measures for dealing with drunkenness offences, Mr Blom-Cooper said. But he had said nothing about freeing maintenance and fine defaulters, who could do community service instead, or making certain sexual offences, such as running a brothel, non-imprisonable.

Immediate action was being urged not only by "soft-headed libertarians like us", Mr Blom-Cooper said, "but also Conservative MPs, such as Miss Janet Footes, (Plymouth, Drake), who chaired an expenditure committee which produced a report, *Reducing Pressure on the Prison System*."

In a swinging attack on Mr Mervyn Rees, the former Labour Home Secretary, Mr Blom-Cooper said that Mr Rees' claim, that with a larger majority he would have put these measures through, was outrageous.

WEST EUROPE

Resumption of butter sales to Russia will cost EEC £22m

From Michael Hornsby
Brussels, May 1

The EEC has agreed to sell 20,000 tonnes of heavily-subsidised surplus butter from its stockpile to the Soviet Union at an effective total cost to the Community taxpayer of more than £22m.

This is the first bulk sale of surplus butter to the Russians since the EEC tightened its export rules earlier in the year after the Soviet intervention in Afghanistan, and it is certain to provoke controversy.

Sir Michael Butler, Britain's permanent representative in Brussels, was instructed to raise the matter with his EEC colleagues at a meeting here this week, and Britain may take it up again at a foreign ministers' meeting next week.

The butter will be sold at a price of £670 a tonne, which compares with the price of £1,738 a tonne paid out of EEC funds to the Community dairy farmers who produced it. The butter is thus being sold at an effective rate of subsidy of £1,068 a tonne.

Put in another way, the Russians will be getting the butter from the EEC at a price of about 30p a pound, compared with the price of 80p to 84p a pound which EEC butter fetches in shops in Britain.

The decision to sell the butter at this price was taken last Tuesday by an overwhelming majority of the EEC's dairy management committee, on which officials from both the European Commission and national governments sit.

Only Britain voted against the sale as such, but an out-

cry over the sale from Conservative members of the European Parliament who last February piloted through the assembly a resolution calling for a ban on the subsidised export of foodstuffs to the Soviet Union.

EEC governments take the view that, while they should refrain from increasing sales to the Soviet Union to fill gaps left in Russian supplies by American sanctions, they are under no obligation to reduce exports below normal levels.

In an attempt to reconcile the conflicting demands of the Parliament and the Council, the Commission is operating a restricted system.

New Zealand offer: New Zealand said yesterday that it was ready to increase sales of butter in Britain at prices far lower than those now in force. The New Zealand High Commission told the Commons select committee on agriculture that its country's butter could be sold in Britain at 27p a packet if no EEC levy was charged (writes Hugh Clayton).

Most European butter sold in Britain costs more than 40p. The cheapest is 36p for a 250 gramme packet. The price of all EEC butter in Britain is cut by 7p a packet through an EEC subsidy.

Mr Laurence Gandar, the High Commissioner, said that a chance to sell much more butter in Britain would be "very attractive" to farmers and exporters in New Zealand.

New Zealand supplies almost half of the butter sold in Britain under an EEC protocol which will cease at the end of this year.

Guns may be used in next riots, Dutch police say

From Robert Schull
Amsterdam, May 1

Dutch police say that they may have to use firearms in any further confrontations with demonstrators similar to the one in Amsterdam yesterday which marred the investiture of Queen Beatrix.

One police official said he saw "hundreds" of cases yesterday in which the use of firearms would have been warranted under standing orders governing their use.

The police believe that they had insufficient means at their disposal to control the violence yesterday and are disturbed by the large number of casualties. They used water cannons and despite almost continuous baton charges the riots lasted well into the night. The rioters mostly threw paving stones torn from the streets. Forty people were arrested all on charges of assault and 100 of them injured, more than 100 of them police.

Mr Haas Wiegels, the Minister of the Interior, complimented the police for their restraint.

Today the centre of Amsterdam, with its torn-up pavements and wreckage from plundered shops, looked more like the aftermath of a revolution than that of the installation of a new constitutional monarch.

Commentators were quick to point out, however, that the riots had nothing to do with sentiments against the monarchy. There was near general agreement that the agitation had been the work of young hooligans out to cause trouble.

Opposition angered by Poniatowski panel

From Charles Hargrove
Paris, May 1

The special commission of 15 members of the National Assembly which will examine the Socialist resolution to impeach M Michel Poniatowski, the former Minister of the Interior, before the High Court of Justice, seems determined to make haste slowly in this affair. It elected its steering committee and immediately adjourned to May 14.

The election of the steering committee caused no surprise. It had been settled two weeks ago by agreement between the government parties. As expected, the president is a Gaullist from French Guiana, M Hector Riviere. A member of the Giscardian UDR and of M Poniatowski's personal staff when he was minister, M Gerard Longuet will probably be elected rapporteur at the next meeting. The vice-president and secretary of the steering committee are also respectively Gaullist and Giscardian.

The six representatives of the Opposition have protested against their exclusion from the steering committee. The Socialists refused the offer of the post of secretary, because the Communists were offered nothing. The Opposition also protested against the commission's refusal to hold its discussions in public.

"The determination of the commission to shelve the whole affair is manifest," the Socialist representatives declared.

The Communists accused the majority of organizing a cover-up. To thwart such manoeuvres they would fight for the complete publicity of the meetings, as "the only guarantee it can achieve something."

The appointment of M Longuet would be regarded by the opposition members as a provocation which could be challenged legally. He had personal ties of friendship with M Poniatowski, and could not be both a judge and party to the case.

M André Chevallier, the member of the Paris Court of Appeal entrusted with the supplementary investigation into the Broglie affair last year, heard M Guy Simone, the former police inspector awaiting trial on the charge of having organized the murder.

During the two-and-a-half years' inquiry by investigating judges, M Simone had repeatedly stated that the police had been informed of plans to murder the Prince. According to the two police reports published by *Le Canard Enchaîné* last month which prompted the reopening of the case, the police knew of the threat at least three months before the murder. No one has so far challenged the authenticity of the two documents.

M Christian Bonnet, the Minister of the Interior, in an interview to a provincial newspaper, said that M Jean Ducret, the head of the Paris criminal police, who did not pass on to his superiors the information about the assassination plot, on the ground that it was too "fanciful", had done so on his own responsibility.

"I continue to have confidence in him," the minister said. All the senior officials who had been involved in the Broglie case at the time when M Poniatowski was in office were still at their jobs. "They were still at their jobs when I gave them my precise evidence which I have no reason whatever to question," M Bonnet added.

Germans reassured by a minor agreement on transport links between East and West

Moscow clearly anxious for business-as-usual in Europe

From Patricia Clough
Bonn, May 1

A piece of paper was signed in East Berlin yesterday bringing a degree of reassurance to the war-nervous Germans.

In terms of the world crises, the document is a minor one: an agreement between East and West Germany to improve road, rail and canal links between Berlin and the West.

But it could not have been included without the approval of Moscow. It comes, therefore, as another sign that despite the tension elsewhere the Soviet Union wants quiet and stability in Europe.

In the past weeks, Germans have noted Moscow has been

careful to differentiate in its attitudes towards the United States and Western Europe. After the initial freeze on contacts with the West as it adjusted to the apparently unexpected effect of its invasion of Afghanistan, the Soviet Union has made it clear that it means business as usual in Europe.

Thus Mr Andrei Gromyko, the Soviet Foreign Minister, visited Paris last week; the invitation to Moscow for Herr Helmut Schmidt, the West German Chancellor was renewed and the green light given for contacts between senior East European officials and the West.

East-West German relations are

going through a period of unusual warmth.

The Soviet Union has even made remarkably little fuss about the West German Government's decision to recommend a boycott of the Moscow Olympic Games.

The only discordant note has been a particularly virulent attack on West German "military ambitions" by the Soviet news agency Novosti. The Germans are debating whether this was a technical slip-up at Novosti or a subtle attempt to test their reactions; in any case it was certainly not an official move.

So there is cautious hope here that tension will not be

allowed to spill over into Europe, undoing 10 years of West German efforts for détente and threatening the West's most vulnerable spot, beleaguered West Berlin.

The reopening of contacts provides the Russians with an opportunity to put their point of view to Western European countries and thus, indirectly, to Washington. Soviet officials complain to the Germans that there is no one in Washington at the moment to whom they can talk.

Herr Schmidt has repeatedly emphasized the need to restart a dialogue between the two big powers and his forthcoming visit to Moscow might help.

At the same time, there is

strong suspicion here, and in the United States, that the Soviet Union is also trying to drive a wedge between West Germany and its European allies.

East European visitors, who are as present danger to détente as the West Germans, assure them that this is not so.

But there are few illusions here that Moscow has had any reason to depart from its purpose of pursuing its ideological ends without necessarily risking the danger of war.

For this reason, among others, the West German Government uses any opportunity to reaffirm its solidarity and reliability as an ally of the United States.



WHEN YOU ADVERTISE A JOB IN THE OBSERVER, YOU CAN EXPECT A GOOD RESPONSE.

The Observer is now even more effective at filling top positions than it was in 1978. Its circulation exceeds the million mark every Sunday. And it is now read by more potential top job applicants than ever before.

In the last 18 months, we've totted up 55,000 enquiries about our special Careers Service. But before you ring 01236 1231 to place your ad, you'd better prepare yourself. The response will be greater than you think.

THE OBSERVER

Over a million copies every Sunday.

Kabul clashes between troops and crowds leave 20 reported dead

Students from Kabul university and about 100 schools in the area are believed to have participated in three different demonstrations on Tuesday, perhaps sparked off by the unconfirmed killing of several schoolchildren by Afghan troops in one Kabul school on Tuesday, the 10th anniversary date of the communist coup against the former Daoud regime.

Seoul yields ground over student military training

Dr Kim Ok Gill, the Minister for Education, who has made it clear that she has considerable sympathy for the demands of the students, announced today that the four hours training a week would be cut to two.

Polish writers protest at publisher's arrest

Mr Chojceki, a former research assistant at the Polish Nuclear Research Institute, was dismissed in 1976 on political grounds. Soon afterwards he joined Nwua, an unofficial publishing house established in 1977. He has been of great generosity in applying his technical knowledge to improve its printing methods.

Banned Opposition tries to form Pakistan front

An effort to forge a political front to work for the restoration of parliamentary democracy is being made by Mr. Mirza Muhammad Khan, the ex-
 deputy Tehrik-i-Islami opposition party. The former air force chief is reported to have held talks with several political leaders in Karachi, including Fux Bijzenjo of Baluchistan in Karachi yesterday.

Mr William Vanden Heuvel, American delegate to the United Nations, wipes his face after two men hurled red paint during a Security Council meeting.

Bombs break up leftist meeting in San Salvador

Those attending the swearing-in ceremony for a university student organization were met by machine gun fire from snipers when they ran out onto the street.

after the bombs went off.
least eight people were
wounded, the witnesses said.

by government troops", a witness said. The university has become a refuge for leftists who

Princess arrives on visit

Singapore, May 1.—Princess Margaret arrived here today from Manila for a four-day official visit. This is her second official visit to Singapore.

The Princess will call on Lee Kuan Yew, the Prime Minister and President B.

He also resigned from the Congress (I) parliamentary board, which is selecting candidates for state Assembly elections later this month, but he said that he would continue to

President Sheares.

Mr. Chojecki was charged with stealing a duplicator. This is not the first time that criminal charges have been leveled against the stated reason for Mr. Chojecki's arrest.

"His publishing activity fills

cal charges have been brought
against dissidents, when poli-
cal charges are thought by the

In March, Mr Edmund Zadrozynski, a dissident worker, was sentenced to three years' imprisonment for petty theft. In February an associate of Mr Chajecski, Mr. Radoslaw Gmarnik,

Clujek, Mr. Bogdan Grzes was similarly charged with theft of a duplicator and sub

Polish Writers' Association 53
Polish writers have affirmed
that no one in Poland believes

Newfoundland to haul down

the Union Jack

Ottawa, May 1.—The Union Jack, which has been hauled down in dozens of former British colonies, is about to be

Formerly a British colony, Newfoundland retained the

tion in 1949 and became Canada's tenth province. Now the province plans to have its own flag, and the provincial Government has unveiled its version of the Legislature.

The new flag consists of three blue triangles on the left side like a stylized half of the Union

The change must be debated and legislation passed before the flag is adopted. But already the design is arousing some

praise—and some hostility—from traditionalists like the president of the Newfoundland Royal

Foreign Report
is on Page 12

Law Report May 1 1980

Discretion on legal aid charges on property

who, by the matrimonial home, but allowed his wife to continue to occupy it rent free was thereby discharging in part his obligation to maintain her and deriving a beneficial use from the house. Accordingly, he continued to be in ratable occupation.

In avoid any unnecessary wastage of newsprint, The Times has reduced the number of copies offered for casual sale.

This means, quite simply, that if you haven't a standing order with your newsagent on occasions you could forfeit your daily copy. And regular Times readers don't like that - their day isn't quite the same without The Times.

Be sure of your Times by placing a regular

Queen's Bench Division

Absent ex-husband not a ratable occupier

but allowed him to live in comfort and security in rent free use thereby discharging in part his obligation to maintain her and deriving a beneficial use from the house. Accordingly, he continued to be in ratable occupation.

To avoid any unnecessary wastage of newsprint, The Times has reduced the number of copies offered for casual sale.

This means, quite simply, that if you haven't a standing order with your newsagent on occasions you could forfeit your daily copy. And regular Times readers don't like that - their day isn't quite the same without The Times.


Be sure of your Times by placing a regular order with your newsagent now.

**Now you're sure of The Times
make sure of your Times.**

To avoid any unnecessary wastage of newsprint, The Times has reduced the number of copies offered for casual sale.

This means, quite simply, that if you haven't a standing order with your newsagent on occasions you could forfeit your daily copy. And regular Times readers don't like that—their day isn't quite the same without The Times.

Be sure of your Times by placing a regular



KEMBLE

Britain's Largest Piano Maker.

Exporters to the world.

For further details—contact your local showroom or Mount Avenue, Blotchley Milton Keynes. (0308 71771)

**Foreign Report
is on Page 12**

هكذا من الأصل

OVERSEAS

Mr Kennedy cites his Senate record to court minority group votes in Texas primary

From David Cross

Houston, May 1

With the American economy entering a recession, Senator Edward Kennedy is concentrating his final efforts to secure the Democratic presidential nomination on the votes of those most affected by rising prices and unemployment.

Here in Texas, where primaries will be held on Saturday, he has aimed his limited resources at courting the two minority groups—Latin Americans and blacks—who comprise almost a third of the state's 12.5 million population. "Quite frankly," he told a radio interview this week in Houston, "I think I deserve their support."

He said that not only had he long fought in the Senate for minority rights but he had also been a strong supporter of bilingual education—a necessity here.

Later, at a rally outside the city hall, he concentrated his attack on President Carter for reductions in educational grants and health programmes for the elderly. His audience listened politely but the occasion lacked the enthusiasm that characterized earlier meetings in the predominantly Mexican-American cities of San Antonio and Corpus Christi. He was mobbed by enthusiastic supporters.

Mr Kennedy's main problem has been President Carter's success in lining up the support of most minority leaders in the state. With the assistance of such powerful Texas Democrats

as Mr Robert Strauss, his campaign manager, and Mr John White, chairman of the Democratic National Committee, Mr Carter has used the powers of his office to ingratiate himself with Mexican-Americans, in particular.

On the day that Senator Kennedy was campaigning this week, for example, Mr Julian Nava, a California Mexican extraction, arrived in Mexico City to take up his new post as United States Ambassador.

Television coverage showing Mr Nava and his relatives from Tlaxcala, the Mexican state from which his father emigrated to California, were well received by the Hispanic community in Texas.

President Carter also managed to upstage the Senator by visiting Texas this week to talk to the injured survivors of last week's ill-fated rescue mission to Iran. The Senator was particularly irked because he had arranged to be in Mexico City that day for talks with President José López Portillo of Mexico. The media here captured the President's rare outing rather than scenes of the Senator waving a sombrero.

Nevertheless, President Carter will probably not win Sunday's primary. His supporters, who he would probably have done had he abandoned his "rose garden" strategy earlier.

The latest public opinion poll shows Mr Carter leading Senator Kennedy by 69 per cent to 22 per cent among

Texas Democrats. The survey was, however, conducted before the Iran rescue mission and Senator Kennedy's final push for votes and Mr Carter's margin of victory could be considerably slimmer.

That was the theme that Mrs Rosalynn Carter pressed when she visited Houston yesterday to campaign for her husband. At a press conference she predicted, however, that he would be returned to the White House for a second term because "the hard and often unpopular decisions he has had to make will be successful in the long run."

Predictions of the outcome of the Democratic primary here are particularly difficult because of its complexity. First, both the Democratic and Republican primaries are open, which means that the electorate can choose at the last minute whether to vote for a Democratic or Republican candidate.

Second, the Democratic vote is in two stages. Texas voters want to vote for President Carter or Senator Kennedy must go the polls twice, once in the day to cast their votes in a non-binding preference contest, and again the same evening to vote for the 152 delegates who will represent the state at the Democratic national convention.

The media will concentrate on the "beauty contest" in assessing which candidate has won but finally it will be the delegate contest that will have most significance, although the full results of the contest will not be known until next week.

Congressional friends are pinning their hopes on economic recovery

President Carter is about to reach the nadir of his fortunes with his foreign policy in ruins

From Patrick Brogan

Washington, May 1

Miss Meg Greenfield, the editor of *The Washington Post's* editorial page, in a column published in the latest issue of *Newsweek*, remarks that the present surge of support for President Carter cannot last and "I wouldn't be surprised if this whole affair didn't finally do him in."

It is almost a throw-away line, in a long article. Mr Carter is about to reach the nadir of his fortunes. He will scrape home to the Democratic convention in August, bloodied and considerably bowed, with a bare majority of the delegates, his foreign policy in ruins, his economic policy in ruins and, in all probability, the hostages still in Iran.

He will be in a far worse state than President Ford was in, in 1976. Mr Ford staged a remarkable comeback, rose sharply in the popularity polls and nearly won the election. But it is hard to see how, because, after all, Mr Ford lost.

Mr Carter's best hope for recovery was the rescue of the hostages. It would be unjust to suggest, though, that there are plenty of people around who do so; that it was attempted to save the President in the polls, but there can really be no doubt that a successful rescue would have restored him completely to the popularity and confidence he enjoyed in January.

The operative word there is "successful". Mr Cyrus Vance is reported to have feared that if the hostages had been rescued, the Iranians would have promptly arrested all Americans in Iran, including reporters, and held them hostage instead. The *Bani-Sadr* Government might not have survived and whatever its insufficiencies it is clearly preferable from a Western point of view, to a government headed by Muslim fanatics like those who showed off fragments of dismembered American bodies on television on Sunday.

Such a change of government would be even more likely to result from a more substantial military intervention, such as a blockade or the occupation of the Iranian oil fields. This is why the European allies are so insistent that Mr Carter must now wait, for however long it takes, and eschew violence.

Senator Edmund Muskie, when he takes over as Secretary of State, may be able to give a policy of patience and diplomacy a chance, and may even be able to persuade the American people that it is the right policy. First of all, however, he will have to persuade the President, and at the moment, Mr Carter is still

breathing fire and seems to prefer the fulminations of Dr Zbigniew Brzezinski, his National Security Adviser, to the cautious advice from the State Department.

Mr Carter's friends in Congress, most notably Mr Tip O'Neill, the Speaker of the House, are pinning their hopes on economic recovery. They deny stoutly that the President's economic policy is in ruins, they believe that inflation will be brought under control by the summer (Mr O'Neill even claims that there will be "a negative inflation rate" in August) and that a grateful American people will reflect Mr Carter for slaying the dragon at home, even though he has failed to cope with the one in Qom.

Mr O'Neill's comments, it is true, were made before the failure of the rescue attempt. Like everyone else, or nearly everyone else, in Congress, he has rallied round the President.

The period of legislative solidarity is not going to last and Mr Henry Kissinger, an influential Congressman and chairman of the House banking committee, has already suggested that Mr Carter should step aside.

He supports Senator Edward Kennedy, and is therefore prejudiced.

Mr Carter does not seem to be the sort of man who would bow to any such suggestion. He wants to be re-elected and believes that he can overcome the odds again, as he did to

Lenin Prize awarded to President Kekkonen

From Michael Binyon

Moscow, May 1

President Urho Kekkonen of Finland has been awarded the International Lenin Peace Prize, the highest Soviet decoration for foreigners, it was announced in Moscow today.

A telegram of congratulation from President Brezhnev and Mr Kosygin, the Prime Minister, said his activity over many years in broadening understanding and cooperation among nations and in consolidating peace and international security was highly valued in the Soviet Union.

The telegram cited in particular the role Finland and its president, who is 79, played in organizing the Helsinki Conference on Security and Cooperation in Europe, and developing détente on the Continent.

The Soviet leaders said the "Paasikivi-Kekkonen line" advocating strong friendship between Finland and the Soviet Union enjoyed well-deserved prestige in the world. The policy of peaceful co-existence of states with different social systems was vividly reflected in Soviet-Finnish relations.

The Russians have particularly appreciated Finland's refusal this year openly to condemn Soviet intervention in Afghanistan.

President Kekkonen received his prize together with a French and a Venezuelan writer, an Egyptian opponent of President Sadat and Mr Le Duan, the general secretary of the Vietnamese Communist Party.



Mr. "Tip" O'Neill: Rallying round the President.

win the presidency in the first place.

He may hope that Mr Reagan will do or say something foolish. The way Democrats put it among themselves is that Mr Reagan may reveal himself in his true colours to the American people who will recoil, appalled, into the arms of the President.

The evidence is against them. Mr Reagan has always sailed under his true colours, and the American electorate so far this year has approved mightily. The only region in which he has not done well has been industrial New England and the mid-Atlantic states.

South Africa transferring more powers to Namibia

From Nicholas Ashford

Johannesburg, May 1

Mr Pieter Botha, the Prime Minister, today made clear South Africa's intention to go ahead with plans to grant some executive powers to a new body to be established by the Namibian (South-West Africa) National Assembly, which has only limited legislative powers. The new body will be given some control over defence.

Mr Botha, also Minister of Defence, said in Parliament today that South Africa was prepared to hand over a large slice of the Administration of the security forces, to "a body that could govern the territory."

He said a body had to be set up in Windhoek which was capable of governing the country. Such an organization would play a prominent role in the defence of Namibia, a function which the military could not be responsible for on its own. He said South Africa was prepared to transfer the Namibian forces which had been trained by South Africa and place them under the authority of the new governing body.

All executive powers in Namibia are in the hands of Professor Gerrit Viljoen, the territory's Administrator-General, whose role is similar to that played by Lord Soames during the transitional period in Zimbabwe. The National

Assembly, which comprises 50 members, most of whom belong to the multi-ethnic Democratic Turnhalle Alliance, plays a largely advisory role.

Today's announcement would be seen at the United Nations as a further indication that South Africa is planning its own style of "UDI" in Namibia rather than go along with the United Nations settlement plan which has been gathering dust for almost two years. However, South Africa has consistently denied that it was contemplating a UDI.

Later this month South Africa is expected to give its reply to a United Nations proposal to establish a demilitarized zone along the border between Namibia and Angola, an area where an increasingly bloody bush war is taking place between guerrillas belonging to the South-West Africa People's Organisation (SWAPO) and the South African Defence Force.

Mr Botha also announced today that South Africa has developed its own artillery missile system which, he said, is designed to counter Soviet rocket systems. It is understood the South African weapon is a 127mm multiple rocket-launcher system similar to the Soviet "Stalin's organ". During the South African invasion of Angola in 1976, it was found that the South African forces had no weapon to match the "Stalin's organs" being used by the Cuban troops.

Eskimos preparing to fight for their rights in Quebec

From Anne Penketh

Montreal, May 1

Quebec's Inuit—Eskimo—population will be holding its own referendum on May 14, one week before the Quebec government's referendum on sovereignty, a matter which the Inuit call "a matter for immigrants."

The Makivik Corporation, formed to represent the interests of the Inuit, will ask them for authority to negotiate constitutional rights with both the federal and provincial governments.

Mr Charles Watt, Makivik's president, explained that while the Inuit wished to keep their separate identity they still feel attached to Quebec. "We don't want to be represented by the government of Quebec. We want to represent ourselves. We are Inuit but we are also Canadians. The people here don't want to separate."

Quebec's population is equally concerned by the implications of the referendum on May 20 and consequently a majority of the 35,000 Indians

will not be voting. Like the Inuit, the Indians feel that the referendum is a matter for Quebecers.

Mr Andrew Delisle, the president of the Federation of Indians of Quebec—representing 10,000 Huron, Mohawk and Algonquin Indians—is adamant that his people should remain separate.

"Our nation was never abolished. We belong to the Mohawk nation and we can't belong to Canada and the Mohawks. That's how nationalistic we are."

At present the Indians enjoy a special status in Canada. They pay no taxes and receive an allowance from the federal Government as long as they do not stray from their reservations. There is a fear that this special status might be threatened if they voted in the referendum.

It is clear that, whatever the outcome of the referendum, it will make very little difference to the native people of Quebec. Discussions of their rights and demands will continue unabated.

Increasing American use of island base confirmed

By George Clark

Political Correspondent

Mrs Thatcher confirmed in a letter to three Labour MPs yesterday that since the worsening of the Middle East crisis the British island base of Diego Garcia in the Indian Ocean has been increasingly used as a staging base for American air and naval forces.

She was replying to a request for information sent on Tuesday by Mr Eric Heffer, MP for Liverpool, Walton, Miss Joan Lester, MP for Eton and Slough, who are members of the party's national executive, and Mr Tam Dalyell, MP for West Lothian.

Ms Thatcher replied: "Since the crisis began to worsen over five months ago, the United States considerably reinforced its military presence in the Indian Ocean and Arabian Sea. As a consequence, there has been a very large number of movements of United States ships and aircraft of many

types to and from Diego Garcia. These movements have involved regular use of the refuelling, anchorage and airfield facilities there. The United States naval task forces in the area have, for example, been regularly supplied with stores, equipment and spares.

"This high level of movement continued through the period of immediately before the United States attempt to rescue their hostages in Iran and thereafter."

The Labour MPs regard this passage as being of great importance. It does not confirm that the jointly-run base was actually used by the American rescue force but only that the high level of activity continued right through the crucial period.

Mrs Thatcher also pointed out that, in accordance with the terms of the 1976 agreement on the support facility in Diego Garcia, the United States commanding officer had kept the officer-in-charge of the British element on the island informed

Make a date with a Swede.

Indulge yourself in a **FREE*** test drive in Sweden's most beautiful car—the **Saab 900GLS**



Morning Collect the car from your local SAAB Dealer, or you can have it delivered to your home or office. Either way, the car is all yours for the next 24 hours, to use and test, any way you wish! The first miles you cover will be enough for you to appreciate the ultimate luxury of SAAB's seating, the superb ventilation, the comprehensive instrumentation and the instant response of the 2-litre engine.

Noon Organise your time to include some motorway driving, perhaps for a lengthy lunch some distance away. See how quiet the SAAB 900 GLS is at speed, how positive, light and responsive the steering and experience the secure feeling of safety at all times. Note, too, how little fuel the SAAB consumes at cruising speeds.

In the evening, why not take your wife out to see some friends and show off the SAAB 900! As well as collecting admiring looks, you'll need to be prepared to open the bonnet, demonstrate the ease with which the rear seat folds down, show the 6 ft. of estate car space, the headlamp wash/wipers, the self-repairing bumpers. By this time, you might well have to admit you're determined to buy your own SAAB after such a memorable 24 hours!



Night When you return the car, you'll be ready to ask your SAAB Dealer about all the points that may have occurred to you on your free* test drive. He'll be glad to answer them all, tell you about colour schemes, the SAAB Safeguard and the SAAB Finance Schemes that are available. Find the name of your nearest SAAB Dealer, right now, by looking in your Yellow Pages Directory, or use FREEPHONE. Get out your diary, make that date with the beautiful Swede now!

FREE*
Enjoy 24 hours test driving a SAAB 900

Born to Lead

*Except petrol used, which must be paid for at completion of the test drive.

FREEPHONE 3215

Use the FREEPHONE service by dialling 100 and ask the Operator to get you FREEPHONE 3215.

It won't cost you anything.

*This test drive offer is subject to compliance with certain insurance conditions.

A psychiatrist on the tension that affects siege captors and captives

Stress: making friends of enemies

The public remains sometimes bewildered by the behaviour of captors and captives when both are submitted to long periods of intense nervous stress. That is because few people seem to be aware of the predictable response of the human and animal brain to such stresses. The Second World War provided a multitude of examples of the nervous system of normally brave soldiers breaking down in stress, rarely seen in peacetime—but the patterns emerging were mostly very similar despite the marked differences of behaviour of the same people in normal circumstances.

The brain is a mechanical computer obeying mechanical laws. Put under stress, it may start by showing extreme excitement, but this is generally followed by a progressive inhibition of the brain activity. First there is a "hysterical" phase when the individual's computer becomes so disturbed that he starts to believe statements, whether true or not,

which he would normally have questioned in a rational state. Critical faculties are suspended, and absurdities can become firmly held viewpoints. The "ultraparadoxical" phase of brain activity supervening later is even more disturbing, because then positive condition behaviour becomes negative and vice versa. The individual's response to situations is quite opposite to the way he would normally respond. His enemies, for instance, become his firm friends and his friends enemies; or he confesses, when that would be the last thing he would do in his right mind.

It is essential in dealing with hostage situations to keep an amount of excitatory pressure on the captors but to avoid taking violent action producing an excessive state of excitement so excessive that it could lead to the death of the captives. But if tension is continued and communication maintained with the captors they themselves will also become susceptible and perhaps behave ultraparadoxically by doing the opposite to what they intended and surrender. That happened in two previous London sieges where this policy was sensibly pursued by the police. But it can take many days of stressful waiting while constantly telling the captors they are surrounded and their situation is hopeless before success is achieved.

What are the effects of stress on the captives? The "hysterical" and "ultraparadoxical" stages of brain activity result in the extraordinary picture to the uninitiated of the captives starting to become sympathetic and friendly with their captors and even adopting their viewpoint. A captive of the five-day Spanish House siege in Knightsbridge in 1975 visited and comforted his captor when the latter was afterwards imprisoned. It is bound to happen, for instance, that quite a number of the American captives in Tehran will start to sympathize and believe in the views of their captors because of the prolonged state of tension, they have undergone. Some may even break down into mental illness, which will become more apparent after but not before their release. A few will remain staunchly unmoved by their captors' viewpoint.

A better understanding of the brain's activity in breakdown explains many irrational happenings in people held and submitted to stress in varied situations. In cases where women are subjected to prolonged police interrogation they may make true or false confessions in a way they would never have considered possible in a normal state of brain activity. The large number of suicides in police cells after prolonged interrogation is easily understood; the anxiety aroused can be so great that the "ultraparadoxical" stage of brain activity supervenes and a person normally so loving of life suddenly wants to die and does so by his own hand.

Many confessions and suicides are certainly not "voluntary" in the true sense of the word, but the underlying mechanisms seem so rarely understood by many concerned in bringing the process about.

Captors rarely kill themselves or risk their own deaths. This means that if the police wish to stop a disaster for the hostages they should continue to behave with the utmost restraint. It is always necessary to cool the situation but at the same time keep up a steady nervous pressure and communication with the captors. Only in that way can the police bring about the desire in the captors to start to behave in a different and opposite way from their normal original intention.

Dr William Sargent
Honorary Consulting Psychiatrist
St Thomas's Hospital

The terrorists who beat the system

Two years ago the main threat confronting Scotland Yard was of a renewed Provisional IRA attack on mainland Britain. There was no licence to suggest that London might become a battlefield for the scimitar, violent emotions of the Middle East, but there were few serious incidents.

Since the beginning of 1978, however, that intelligence has become reality with more fatalities from Middle East terrorism than from the IRA. Since 1978, seven people have died as a result of violence generated thousands of miles away from the streets of London.

The first to die was Mr Said Hamani, European organizer for the Palestine Liberation Organisation who was shot in his office close to Oxford Street. Unprepared Scotland Yard even thought at first that the dead man was Shaikh Yaman, the Saudi Arabian oil minister.

As the hunt for the assassin started, detectives began to realize that, with a thousand Arabs visiting London every three days, with many established refugee communities, and with the endgame of Arab politics, Mr Hamani might not be the only casualty.

Six months later their suspicions were confirmed with the death of a former Jordanian Prime Minister, General Abdul Razzaq al-Naif, died in June 1978. A month later an unsuccessful grenade assault was launched on the Iraqi embassy.

Eleven Iraqi diplomats and businessmen for the most part, were expelled during that period. The violence continued in August, when an Eilat stewardess and a terrorist died in an attack on an Israel bus.

There was a lull until January this year, when violence began again with the death of a Bahraini student in a bomb explosion in a West End hotel.

The pace quickened three weeks ago with the death of Mr Muhammad Ramadan, a Libyan journalist, and last

Friday, a few hundred yards from the Iranian Embassy, Mr Mahmoud Abu Nafa, a Libyan lawyer, was also shot.

Although many of the attackers have been caught and convicted, the reaction of the police has done nothing to stem the entry of violent Arab ideologues who can successfully blend into the local Arab community that has grown up in London since the 1950s.

The first line of defence lies at ports and airports, where Special Branch has to sift through millions of tourists and businessmen each year. It has the use of a special intelligence register, which is checked against arrivals, but although approximately 40,000 checks are made each year the system cannot be perfect.

If the visitors have diplomatic status, they and their offices become the responsibility of the diplomatic protection group. Police Constable

Geoffrey Smith

How close are we to an exit from Europe?

How far has Mrs Thatcher's method of negotiation over the European budget strengthened or weakened the prospect of Britain remaining indefinitely a member of the Community? It has certainly raised the hopes of those who favour withdrawal. They say that sentiment in the country is running in their direction. A Gallup poll published in *The Sunday Telegraph* on April 20 found a two to one majority for leaving the Community.

In the Commons these days there is a new assurance among the anti-marketiers on both sides of the House. They believe that there is a tide of events that is inexorably drawing Britain away from the EEC. At the same time, a loss of conviction is evident among those who still believe in British membership. They have not changed their views, but they have less confidence in them.

Mrs Thatcher is not seeking to strengthen the unity cause. When she reported to the House of Commons on Tuesday on the outcome of the Luxembourg meeting she went out of her way a number of times to assert her belief in the continued value of British membership. What she has been doing in domestic political terms is to respond to anti-EEC sentiment in the country by parading her determination to fight for British interests in Europe. The effect is to raise the stakes.

If she can secure an agreement that accords reasonably closely with her demands then she will be able to assuage the fears of the British public about the more effectively for having the more effective table. She will then be in a position to argue that it is possible to remain in the Community without sacrificing Britain's material interests, that Britain's just demands have been met and that the new course is much more favourable to Britain than the effects of membership will be far more beneficial in the future.

In those circumstances, her previous intransigence around the negotiating table would make her a more persuasive advocate for the Community in Britain. But her strategy is by its nature a high-risk one. There is no prospect of her obtaining everything that she is demanding, and she has raised requirements so dogmatically that it will be easy for her critics to point to the gap between her goal and her achievement. That will not matter if the gap turns out to be only a small one, but if it is significant she will have presented the anti-marketiers with a valuable weapon.

The direct impact on public opinion may not be of great consequence. It is perfectly possible under the British system for governments to continue for years with policies which are not supported by public opinion. Capital punishment has not been in force in Britain for nearly 20 years, although throughout this time there would certainly have been a majority for it in any referendum.

What matters is whether public feeling on a particular issue is of such intensity as to force or induce one of the main parties to respond, either by adopting the policy outright or by putting the question to a referendum.

An opinion poll is no measure of intensity of feeling, or indeed of its persistence. At the point one is bound to be in the realm of subjective assessments. British opinion on the EEC has varied a great deal over the years. At the time of the 1975 referendum it was much influenced by the leadership of the three principal political parties all favoured continued membership. Whether that would be equally influential in the next election is perhaps questionable, but what is much more critical is whether the leadership of all three parties remain committed to British membership.

Take action now to provide School Fees

The sooner you act, the less it costs (and the more the load is spread). C. Howard & Partners are the leading specialists in School Fee Insurance.

We have helped literally thousands of parents to provide their children with the benefits of a private education, without financial stress. We can tailor plans to all requirements, based on capital or income payments, or a mixture of both.

An allocation to help combat inflation is built into all. Consider an example of the combined plan: if your child is now two years old, a capital payment of £2,500 now followed by an annual payment of £700 should provide total fees of £17,000 (from age 8, in return for a total net investment of £12,300. And in addition £3,500 will be returned to you in the final year of the plan).

The right plan can transform the financial situation of parents while their children are at school—as well as insuring the fees should the parents die before schooling is completed. Send off the coupon now for fuller information

or phone 01-439 8346

For full details (not applicable in Eire) Post to: C. Howard & Partners, 117 Regent Street, London W1M 5JF

NAME _____ ADDRESS _____

C. Howard & Partners
The leading specialists in School Fee Insurance

Putting a few roubles on Cardiff

Suddenly it is summer. Spring in Russia never lasts long: this year it was practically nonexistent. And by the time Moscow city authorities realized it was time to turn off the central heating, the new course was already in the 70s and people sweltered with all the windows open and the heating full on indoors, radiators are installed without regulating valves, unfortunately.

The sun has stimulated an unprecedented burst of activity to get the capital into shape for the Olympics. Virtually entire factories have been drafted to remove junk and debris that has been lying around for years. Buildings are being knocked down almost overnight to make room for road widening, trees and flowers are being planted and things have come alive on construction sites where all activity came to an unexplained stop many months ago.

But it was too nice to work all weekend and I decided, like thousands of other Moscovites, to spend a day at the races. I have rarely seen so many Russians having so much fun. The Moscow Hippodrome is an extraordinary edifice, built in 1955, and looks from outside like a bizarre fusion of a classical Greek building. The cream-coloured facade is topped with a spire and surrounded by statues of famous horses. The entrance is through a marbled hall with a vaulted ceiling and the two-tier grand

stand is all columns with decorated capitals, painted in bright, gaudy colours. In this classless society there are three classes of seating. For 30 roubles (22 pence) you can go in the main stand with its wooden seats and high wooden railings. For the top price you can go into the emptier, smarter section. There is even an elaborate semi-circular "royal" stand, with raised glass windows (against the heat) and decorative canopies.

Inside the betting hall looks like a nineteenth century railway waiting room, with women in black dresses and men in suits. It is a bit shabby, worn down by countless crowds and the attempt at grandeur is at odds with the eager, jostling, smoking, garlic-smelling rough-and-ready crowd.

Racing begins at 1.00 on Sunday afternoons. The first thing to do is to queue up to get a programme. The 20-page booklet lists all the horses for each race, their owners, jockeys and places in four previous outings to give an idea of form, and the names of the jockeys and their colours.

MOSCOW RACING DIARY

standing days—Wednesday and Saturday evenings and Sunday—of trotting. A friend and I arrived too late to get a programme, but managed to persuade one of the plump and friendly bookies to give us hers. She explained the betting: you have to "give" the bookie a rouble, and then you can choose to bet on a horse, or to show option, and the basic stake is a rouble.

You see a cardboard ticket with the horse's name and number on it. The bookie will give you a "show" ticket, which is a rouble, and a "win" ticket, which is a rouble. The bookie will give you a "show" ticket, which is a rouble, and a "win" ticket, which is a rouble.

The horses and traps lined up behind a truck carrying a gate that stretched out across the track. The truck led them trotting down to the start and then sped on ahead, drawing in the folding gate like wings and then turning off the course as the horses, raced on round.

People cheered their favourite. Cardiff was meant to be number one, but there seemed to be three other horses also marked number one which was confusing. The commentator seemed more interested in this Western counterpart, but Cardiff was clearly in the lead. In the smart stands the enthusiasts were looking through binoculars. A few were squinting down telescopes.

They trotted round once, and Cardiff won. I pushed back through the throng to my friendly bookie to claim some money. She explained that I hadn't understood the system. Kaslika came in fourth instead of second. "But I wish you'd won," she said kindly, as she took my money for the next race.

Michael Binion

لکھنؤ من الاصل



WHAT'S GOOD FOR LAZARD FRERES

Mr Ian MacGregor, who is shortly to become chairman of the British Steel Corporation, has had a long and distinguished career in international industry. Bona fide and now a naturalised American citizen, he adds a cosmopolitan quality to his industrial and business achievements. Although he has not been a prominent figure in the British industrial scene, there is no reason to doubt that he has potentially much to contribute to the regeneration of the fortunes of the British steel industry. Since the time that he was ear-marked to be the chairman of British Leyland, ministers of both political parties and the senior civil servants principally involved have been much impressed by his personal qualities.

It is, therefore, all the more tragic that the circumstances in which his appointment was announced yesterday by Sir Keith Joseph, the Secretary of State for Industry, should have been such as to destroy any positive impact that it might have made. The minister, Mr MacGregor, himself and the United States investment bank, Lazard Freres, have combined in a major error of judgment. The prime responsibility, however, must lie with Sir Keith.

His argument is that the BSC is in a mess and that the Government should hire the best available new chairman and pay whatever is required by way of a transfer fee to get him. The ana-

logy with the part show business world of international football, which Sir Keith willingly accepted yesterday, is in itself distasteful. Mr MacGregor may no longer be a British citizen and there is no reason why businessmen should accept public sector chairmanships for a pittance. There ought, however, to be an element of public service in such employment. To deny it entirely is the sort of mistake a Conservative government should not make.

Apart from the generally unfortunate quality of the way in which the appointment has been negotiated, there are a number of specifically unacceptable elements that anyone with political judgement should have avoided. First, the compensation fee being paid to Lazard Freres for the substantial loss of Mr MacGregor's services may be justified in principle, though it might have been expected that the bank would agree to release him at the request of a friendly government. The sum involved, however, appears uncomfortably high. Mr MacGregor is already two years past normal retiring age. He had retired from his previous main job as chief executive of the American metals company, Amstar, in 1977.

A flat sum of £675,000 for the next three years in compensation to the American partnership seems high. If the Government had been prepared to put that kind of money towards the improvement of the pay of nationalized industry chairmen, entirely new areas of possible

domestic recruitment would have been open.

Secondly, it is wholly illogical that the compensation sum paid to Lazard Freres for the loss of Mr MacGregor should be increased by up to £1,150,000 on the basis of the performance under his chairmanship of the BSC itself. A transfer fee is a transfer fee. It is quite extraordinary that the British Government should have agreed to this further substantial payment to be calculated on the basis of events that have nothing to do with any loss that Lazard Freres may have suffered by the departure of Mr MacGregor, or any contribution that Lazard Freres might make apart from foregoing his services.

It is, in addition, insensitive in the extreme, as the industry strives to climb out of the debris of the recent steel pay strike, to announce a payment of this size to a bank for the services of one man. Steelworkers would not be human if they did not compare their take with that of Lazard Freres. Leadership in an industry is vital. The role of an executive chairman should not be underestimated. But the BSC will only emerge from its present morass and cooperation by teamwork and co-operation. We must wish Mr MacGregor well, for his failure would further damage the national interest. He has, however, been given the worst possible start by Sir Keith. If these were the only terms on which he was prepared to serve, he should not have been appointed.

NO EASY ANSWER TO A REAL PROBLEM

The Inner London Education Authority is an anomaly, and an expensive one. The official inquiry into its future announced by the Government this week will have no difficulty in finding evidence that it works unsatisfactorily in a number of ways. It may find it less easy to put forward an alternative which does not promise to be at least as unsatisfactory. The golden rule in local government affairs these days is to attempt no reorganization which does not guarantee unmistakable gains, outweighing the expense and confusion that can be counted on to accompany any extensive remodelling.

The case against ILEA is easily made. It spends more per pupil than any other education authority in the country, and its achievements in terms of examination successes are below average. It is claimed, when its special problems of urban deprivation are allowed for. Because of its great size, its lines of communication are long, a fault emphasized by over-centralization of administrative control. In the schools themselves, by contrast, its inspectors were too tolerant of eccentric and inadequate teaching, at least until the unhappy William Tyndale affair had been too late. The constitutional position of the authority is ill-adapted to coping with these problems, and (which is perhaps more important) ill-adapted to creating public confidence that it can do so.

The authority is technically a committee of the Greater London Council, with members drawn from the GLC, the twelve boroughs in its area, and the City (the outer London boroughs run their own education services). It has power to raise money at its own discretion through the boroughs (education accounts for as much as half of the rate demands of the latter). Its boundaries are drawn in such a way that Labour enjoys perpetual control. The result is that education is not really a political issue either in borough or GLC elections, and councillors have little incentive at either level to interest themselves in how their local schools are run, nor in what is spent on them.

The simplest solution to these problems would be to do away with the anomaly, and transfer responsibility for education to each inner borough. Subject to the findings of the inquiry, that solution seems to have nothing but simplicity to recommend it. The boroughs vary enormously in their wealth; to maintain standards, several would have to raise their rates by well over half. Even the strongest opponents of ILEA accept that some system for sharing resources would be essential.

The pattern of schooling in the area as it has grown up throughout the century pays no regard to borough boundaries; to provide a complete service, there would also have to be extensive sharing of facilities. It

is widely acknowledged that ILEA is able to provide many specialist services at an exceptionally high standard; this is possible only because they are organized on a large scale. Finally, the population in the area is falling; the adaptation to this needs to be planned over the area as a whole (which, it is predicted, will in any case be no larger in population than several other education authorities by 1985).

A borough-by-borough system would therefore be burdened with so many cross-boundary arrangements, only indirectly accountable to the electors, that it might produce little gain in democracy at an increase, not a saving, in administrative costs.

Yet the problem remains. The Marshall inquiry of 1978, set up by the Conservative GLC, proposed putting education squarely into borough politics by retaining ILEA, but drawing its members entirely from the boroughs, and increasing their number. That is on possibility. The new inquiry should also consider whether some boroughs, unwillingly yoked into ILEA might be able to make a case for taking on their own responsibility for education. ILEA could scarcely exist under a permanent threat of secessions, but the minister might give boroughs two years, say, to demonstrate that they could provide adequate services alone—and, equally important, that this would be done without detriment to their neighbours.

THE LAW LORDS OPEN A POVERTY TRAP

The availability of legal aid is not always an unmitigated benefit. The House of Lords recognized in its judgment yesterday in a case involving what Lord Scarman referred to as "a poverty trap set by the legal aid legislation in the very heartland of the modern matrimonial law".

The unfortunate victim was a Mrs Hanlon, a lady of limited means who, after years of divorce litigation, finally obtained a court order giving her the former matrimonial home. In the process she used up £58,000 in legal costs, which were paid by the legal aid fund. The law allows such costs to be set off against any assets gained through the litigation, and the Law Society (which has responsibility for civil legal aid) accordingly placed a charge on her house.

Thousands of similar charges are registered annually, and the amount involved runs into millions of pounds. A charge remains dormant for as long as the individual continues to live in the property but it is activated as soon as there is a sale. Mrs Hanlon found the upkeep of the matrimonial home beyond her means and wished to move to a

smaller home. If she sold her house, however, the Law Society would recoup the legal aid costs and leave her with insufficient capital even for the purchase of a cheaper house.

The case raised more than one issue of law, and the House of Lords in fact dismissed Mrs Hanlon's appeal on a separate point. All five law lords, however, agreed that the operation of the charge could be unjust, and one of them, Lord Lowry, suggested its abolition. The others, while not going that far, were of the opinion that the Law Society had the discretion to allow the charge to be transferred from one property to another—a discretion which the Law Society did not believe was within its powers.

That is a sensible approach which, assuming the Law Society exercises its discretion sympathetically, should eliminate the kind of dilemma posed by the Hanlon case. It would not be open for an individual to carry a charge around from house to house in perpetuity because as soon as it became clear that no hardship would be caused by the charge being activated the Law

Society would no doubt stop allowing it to be transferred.

It is right that those who administer legal aid, and who are therefore trustees of public money, should take care that the legal aid scheme is not abused or its funds wasted on the undeserving. In cases where legally aided litigants are successful, and as a result greatly improve their financial position, it was reasonable that they should be required to reimburse their legal costs by the fund which provided the money. At the same time, it is possible to temper keen control of public funds with flexibility and humanity in applying the rules in particular cases of hardship. It may be that the result of the Hanlon case will be to reduce the amount of money in the legal aid fund, because some costs which up to now would have been recoverable may permanently escape the clawback. The House of Lords was nevertheless right to interpret the law in the way it did. Legal aid, after all, is a social service and their lordships on this occasion showed that they appreciated the wider social implications of their decision.

Moral standards

From Professor T. A. Roberts
Sir, I refer to the letter (April 23) from 10 members of the Department of Theology at Durham University. Prostitution is not (in England and Wales) a criminal offence. In the London case to which they refer, neither the women who "entertained" (by engaging in sexual activity) to their male clients nor the male clients were prosecuted. In the case of the latter, that they were male and respectable (or distinguished) beside the (legal) point. They had committed no legal offence.

Certain activities connected with prostitution, such as running a brothel, or allowing one's premises to be used as a brothel, or living

off the immoral earnings of prostitutes are criminal offences. In the London case a lady was successfully convicted of such offences. Again, her sex was irrelevant. Many such prosecutions (if not the majority) involve men, as for example being guilty of living off the immoral earnings of prostitutes. Where then is the hypocrisy?

The Durham theologians do not think the law should be used to enforce public morality. Traditionally Christian morality has strongly condemned prostitution, but since prostitution is not a criminal offence, in this particular case the law is not used to enforce morality (in some states in the United States prostitution is a legal offence). What then do they mean? Do they advocate the abolition of the exist-

ing laws (in England and Wales) relating to activities connected with prostitution? What the law does not forbid becomes legally permissible. The abolition of these laws is likely to lead to the rapid and extensive commercialization of prostitution. At present the law is used to prevent such an undesirable state of affairs. Are we to infer from the Durham theologians that they no longer believe that the commercialization of prostitution is an undesirable state of affairs; or however undesirable it may be that the law must on no account be used to prevent it?

Yours sincerely,
T. A. ROBERTS,
Avelon,
Cwmnys Coch,
Aberystwyth,
Dyfed.

Violence on the Underground

From the Managing Director (Railways), London Transport
Sir, While I can understand the emotion that led Peter Wynne Davies to write about the incident witnessed at Leicester Square Underground station (April 30), I cannot accept his suggestion that it is becoming unsafe to travel by Underground. We do, after all, carry 11 million passengers every week, all but a handful without incident of any kind.

The troublemakers at Leicester Square were football supporters. The station staff did all they could in the circumstances, which was to call for police assistance. Police were quickly on the scene, but by then the vandals had gone.

There is no way that the small London Transport Police can maintain an effective presence at all 280 underground stations, some of which are very large. While we are hoping to get authority for a substantial increase in the size of this force—from below 200 to perhaps 500—our priority must be to improve communication systems so that officers can quickly get to the scene of any trouble.

We at London Transport are honing for a constructive outcome from next Tuesday's Home Office conference on the problem of violence on public transport. We shall be looking for assistance to enable us to spend more money on policing and on communications, we want more radio frequencies for police use, we want a change in the law so that an assault on a uniformed transport worker would be regarded for prosecution purposes as an assault on a police officer, and we shall be urging stiffer penalties for offenders.

None of these measures will, I fear, eliminate violence and "hooliganism". These are social problems as much in our streets as on our transport systems, and society must find the solutions. Until it does, we shall do our utmost to gain protection for our staff and our passengers.

Yours faithfully,
W. W. MAXWELL,
Managing Director,
London Underground,
55 Broadway, SW1,
May 1.

Overcrowding of prisons

From Mr M. J. Calvert
Sir, Mr Whitelaw has announced measures to reduce the overcrowding of our prisons (report, May 1). During the past year, as High Sheriff of Surrey, I studied our penal system and was impressed by the expense and ineffectiveness in terms of recidivism rates of every type of custodial sentence. Removing men from their homes makes them more likely to commit further offences on their return. Unfortunately our courts often have little alternative at present.

We need clear guidelines from Government to coordinate and develop our non-custodial sanctions such as community service, attendance centres and intermediate treatment. Those organizing them must be made to realize that if they are to be effective in the long term, they must be enforced and be sufficiently strong so that the courts and the public as a whole can look on them as sufficient punishment for the crimes committed.

In addition we need a change in the law so that a sentence may add one of these non-custodial sentences to a short period of as little as one week in custody. A recall procedure would allow an offender to be called back into custody for another year should he fail to cooperate. If our non-custodial sentences gained the confidence of the courts, a sentence such as this could often be used in a situation that earns a three to six-month custodial sentence now.

Yours faithfully,
M. J. CALVERT,
Ockley Court,
Ockley,
Dorking,
Surrey.

Loving with the mind

From the Reverend Professor Barnabas Lindars
Sir, Biblical Hebrew does not have a word for mind (deaf, April 22 and 28) and usually the heart is referred to as the seat of intelligence. The soul (literally windpipe) is used for aspirations and temper. The emotions are represented by the bow and kidneys (reins), but also sometimes by the heart.

The semantic range of these expressions does not exactly coincide with that of their usual English counterparts. It is good that the addition of mind represents a double translation of either soul or heart, and is not intended to be an additional faculty.

The listing of three (or four) faculties is intended to indicate totality. The law of Moses commanded the Israelites to love God with all their faculties, and Jesus commended this. It is good that on this point Jews and Christians are in agreement, and surely the same applies to adherents of other faiths.

Yours sincerely,
BARNABAS LINDARS, SSF,
Faculty of Theology,
University of Manchester,
Manchester.

London's third airport

From Mrs Rhoda Evans
Sir, I was astonished to read of the British Airports Authority's declared intention to purchase 1,500 acres of land around Stansted airport prior to the public inquiry on its expansion.

Surely this is using public money to acquire land that may never be used for the airport or has the decision to make it the third London airport already been made. In which case why is time and money being wasted on a public inquiry?

Yours faithfully,
RHODA EVANS,
Evelyns,
Little Easton,
Great Dunmow,
Essex.

LETTERS TO THE EDITOR

Mrs Thatcher's stance in the EEC

From Sir Peter Tennant
Sir, Bismarck maintained that the proper use of words was to conceal meaning. The "New Speak" of the European Community, with words such as convergence, just retour, parallelism and Community spirit being more or less the opposite to what one would expect, is a perfect example of his dictum. Mrs Thatcher is accused of lacking Community spirit because she is concerned that the level of Britain's budget contributions is unjust and at 50p is below the normal price. Would she add an unwarranted burden for the British taxpayer and consumer and would also hasten the day, which is not far off anyway, when the Community bankrupts itself through the riotous living of its farm policy.

She has declared her total commitment to the Community, and would find this difficult to reconcile with bankrupting it. Britain needs a strong and prosperous Community, not one that wastes its substance on subsidizing surpluses of unwanted products, some of which, like butter, are bought at rock-bottom prices by a French communist millionaire and resold to the Russians.

Community finances are in disarray and so far little notice seems to have been taken of Christopher Tugendhat's speech in Hamburg in which he urged sensibly for proper budget control by the Council of Ministers and finance ministers and the European Parliament so that the agricultural ministers could be restrained from overspending the resources of the Community. It is after all the French farmer who benefits most from the common agricultural policy and it would not help. Glaxo's £200 million two years' lease in the election if the French farmer were to vote to find the CAP in ruins.

If we have to have surpluses let us produce useful ones which can be distributed to the starving and needy in our own countries and the third world. If for social reasons beyond the resources of the Community we have to subsidize the way of life of poor farmers, French shepherds in the Auvergne or Scottish crofters, let each country on its own add a topping-up deficiency payment agreed between the member countries.

The devotes of fudging issues with the "New Speak" of the Community spirit will very soon deal a death blow to this great adventure of the European Community unless they return to the realities of everyday life and language.

Yours truly,
PETER TENNANT,
Blue Anchor House,
Linchmere Road,
Haslemere,
Surrey.

Farmers and consumers

From Mr Alister Sutherland
Sir, Mr Chaloner (April 28) asks how he is to use his highly valued farm land. For more purchasing power now, he can sell his land, and leave it back. Or, if he feels that he cannot farm it as successfully as the man who wishes to buy it from him, then he should sell with vacant possession and use his talents in some occupation other than farming. A mere 15 acres worth would buy him a good specimen of those houses that he mentions, and the rest of his capital could bring him a redemption yield of 14 per cent in gilts.

But my suspicion is that Mr Chaloner, like other farmers, is not going to take either of these courses, precisely because he thinks that his long-term economic prospects will therefore be better as an owner-occupier. His land is worth so much to himself; if he does not sell just as much as to the potential buyer—because others share his informed view of the expected annual agricultural income in future years plus therefore the likely annual capital value of the land and its favoured territory for capital

transfer tax. Those prospects, for rising real income and high after-tax terminal value, naturally mean that the purchase price of farm land is many times the income from it in the current year.

Your reminder that farmers do actually work for consumers (April 12) has produced the normal crop of agricultural indignation. It is notorious that the present system of protection for agriculture is inefficient. All farmers are protected, not just those who require it; products in surplus are protected no less than the rest and it is inequitable. The consumer is typically worse off than most of the farmers he is compelled to support.

At any given level of income, or capital the non-farmer tends to pay in tax more than the farmer. I trust that you will continue to support the need for fundamental changes in a system which inflicts both those who are so heavily protected and those who pay for that protection.

Yours faithfully,
ALISTER SUTHERLAND,
Trinity College,
Cambridge,
April 28.

From Mr Constantine C. Camboouras
Sir, Is it not refreshing to see a British Prime Minister coming back with no agreement, rather than one with a meaningless compromise claiming it as a victory?

Yours faithfully,
CONSTANTINE C. CAMBOURAS,
POULOS,
Ashcroft,
Ringsmead,
Lewes,
Sussex,
April 30.

From Mr Stephen Ross, MP for Isle of Wight (Liberal)
Sir, Thank goodness for your leading article today (April 30). The world situation is too dangerous for us to be at loggerheads with our European partners and Mrs Thatcher should have appreciated this fact.

Only my colleague Russell Johnson had the courage to put this to her in the Commons on Tuesday, but his was a voice in the wilderness, such is the lack of vision in Parliament just now.

Yours faithfully,
STEPHEN ROSS,
House of Commons,
April 30.

From Dr Michael G. Jeffries
Sir, I imagine that the decision by the EEC Commission to further subsidize the Russian economy is to ensure that they can afford guns and butter.

Yours faithfully,
MICHAEL G. JEFFRIES,
Ty'n-Coed,
Betws-y-Coed,
Gwynedd.

transfer tax. Those prospects, for rising real income and high after-tax terminal value, naturally mean that the purchase price of farm land is many times the income from it in the current year.

Your reminder that farmers do actually work for consumers (April 12) has produced the normal crop of agricultural indignation. It is notorious that the present system of protection for agriculture is inefficient. All farmers are protected, not just those who require it; products in surplus are protected no less than the rest and it is inequitable. The consumer is typically worse off than most of the farmers he is compelled to support.

At any given level of income, or capital the non-farmer tends to pay in tax more than the farmer. I trust that you will continue to support the need for fundamental changes in a system which inflicts both those who are so heavily protected and those who pay for that protection.

Yours faithfully,
ALISTER SUTHERLAND,
Trinity College,
Cambridge,
April 28.

Unwillingly from school

From Dr Paul Mallett
Sir, I cannot tell Mr Parker (April 23) why school holidays are so long but I do know that he will have to take a very long way round to get to the point that the Education Act laid down the ordinances for school which he had endorsed at Wotton-under-Edge. The school holidays were laid down in perpetuity. They were to run from December 21 to January 7, with a fortnight's Easter, a week at Whitlawn, and the long summer break from August 1 to September 14. The charter is recorded in the Register of Henry Wakefield,

Department of German,
University College London,
Gower Street, WCL.

From the Headmaster of Toynbee School
Sir, Having recently been expelled by my union, the National Association of Schoolmasters/Union of Women Teachers, for daring to disagree with the idea that a Headteacher's job could be done in a five-hour day, I cannot help but be concerned at the direction in which some trade unions appear to be heading. I say this as an active trade unionist who has many years' standing. Trade unionism in its original was totally democratic—an attempt to mobilize the democratically expressed opinion of the workers—has since the very day now one hears of some unfortunate trade unionist who is put on trial for daring to disagree with his "masters".

Why is there this dangerous move towards dictatorship, away from a political party, one joins because one supports its basic policy, not because one wishes to stop thinking for oneself. All the major political parties allow freedom of expression and a considerable divergence of opinion, as demonstrated by the latest Conservative backbench revolt on the Employment Bill. We hear enough about the rights of trade unionists to what about the rights of individual members?

Yours faithfully,
G. LEON-SMITH,
Kilburn House,
Egmont Hill,
Egham,
Surrey,
April 26.

Bishop of Worcester 1375-1395. I have the honour to remain, Sir, Your obedient servant,
PAUL MARETT,
Department of Library and Information Studies,
Leeds University,
Leeds LS2 9JT,
April 30.

From Mrs Betty Carter
Sir, The answer to "Bruce Parker's question (April 28), "Why are school holidays so long?" is: "Because childhood is so short!"
BETTY CARTER (former child),
80 Manchester Road,
Walsley Heath,
Walsley,
Cheshire.

A frosty view of vanishing fags

From Sir Randolph Twissleton, Wykeham-Fiennes, and Mr Oliver Shepard

Sir, With the utmost disgust we hear that fagging has been abolished at Eton. As the two most southerly OEs in the world, overwintering in cardboard huts prior to an attempt on the South Pole, we daily employ lavatories, clean and cold.

Having spent two to three years of our formative years doing mental risks for others, this comes easily. Many who go to Eton need their self-esteem lowered and fagging was an excellent way of achieving this. We have the honour to be, Sir, your obedient servants,
RANDOLPH TWISSELETON,
OLIVER SHEPARD,
Ryvington Camp,
Antarctica,
April 30.

Voice of the police

From the Chief Constable of Leicestershire

Sir, I am sorry that the Chairman of the Leicestershire County Council objects to the fact that chief constables are speaking out much more today than ever before (April 29). Why should all the constables be silent? The "price" of being unpolitical is surely that all comment is to be stifled. From time to time it is appropriate to speak out, lest the police viewpoint is lost amid the clamour of public commentators. "Unbiased" and "impartial" and "disinterested" are unwarranted extravaganzas.

Yours faithfully,
A. GOODSON,
President of the Association of Chief Police Officers of England, Wales and Northern Ireland,
420 London Road,
Leicester.

Candidates under scrutiny

From Mr R. J. Forbes and Mr P. R. Jackson

Sir, We were pleased to read Peter Brock's Science Report article (April 23), as it is always helpful to have academic research findings made available to a wider audience. However, we would like to point out that there were some serious inaccuracies in his summary of the original research article. The actual findings reported in the *Journal of Occupational Psychology* suggested it was the candidates' non-verbal behaviour which was critical to the interview outcome, rather than that of the interviewers. In fact in this research only the non-verbal behaviour of candidates was examined and coded by the psychologist observing the interviews.

Successful interview outcomes are associated with smiling, eye contact and head nodding by the candidate. Clearly non-verbal behaviour is an important factor affecting interview decisions. Apart from the areas you reported we also considered other aspects of non-verbal behaviour which were unrelated to the decision to accept or reject the candidate, namely leg arm and body position and body, hand, feet and leg movement.

Yours faithfully,
R. J. FORBES,
P. R. JACKSON,
Department of Business Administration and Accounting,
University of Wales Institute of Science and Technology,
Friary Building, 22 The Friars,
Cardiff

Alive, alive-o

From Mr John Gibson

Sir, Though British Rail may discriminate against shellfish by impunity (letter, April 29), lawyers are inclined to adopt a more imaginative attitude. Under the Animals Act, 1971, "livestock" is defined by reference to a catalogue of domesticated creatures, which at common law would be dubbed *mansuetas naturae*—or "tame"—in contrast to wild beasts, *ferae naturae*. Yet, in both the Court of Appeal and the Scottish Court of Session, mussels have solemnly been described as animals, *ferae naturae*.

If British Rail, therefore, needs to protect itself against malignant molluscs, perhaps it should follow legal precedent and apply a more respectful *laissez-faire* to "livestock". Yours faithfully,
JOHN GIBSON,
Centre for Marine Law and Policy,
The University of Wales Institute of Science and Technology,
King Edward VII Avenue,
Cardiff,
April 29.

Out for a duck

From Mr R. E. Davis

Sir, Mr Clifton-Taylor (April 17) acted hastily. If he had taken his eggs indoors and kept it warm he might have ended up with lunch for four instead of breakfast for one. Yours, etc.
RONALD DAVIS,
Boughton Lane,
Sidmouth,
Devon.

Horse sense

From Canon George Austin

Sir, May I suggest that the Rev Ian Graham-Orbell (April 26) calls his horse, Praxis? Thus, when the Bishop telephones he may be told that the Rector is "developing Praxis" in an ongoing interface situation. Such a use of current liberal ecclesiastical jargon will surely, by its very incomprehensibility, convince the diocesan hierarchy that here indeed is one marvellous clergyman attempting to meet with contemporary society in relevant and meaningful confrontation. Yours,
GEORGE AUSTIN,
The Vicarage,
19 High Road,
Walsley Heath,
Walsley,
Hertfordshire.



Hungarians move for Iran project

Hungary has offered to help Iran complete a \$2,200m (£1,400m) petrochemical complex at the southern port of Bandar Khomeini in place of a Japanese consortium.

The official Paris news agency said the offer came at a meeting between Mr. Reza Sadri, Iranian commerce minister, and Mr. Jozsef Miklo, Hungarian ambassador in Tehran. An Iranian delegation is to visit Hungary.

A company formed by Japan's Mitsui industrial group had completed 85 per cent of the project when work stopped a year ago after the Iranian revolution.

Iran is anxious to see the project finished but there have been continuing disputes over labour control, now further complicated by Japanese support for American economic sanctions against Iran.

Paris-Peking oil deal

The French state-controlled Compagnie Française des Pétroles has signed an agreement in Peking for oil research and production in a 3,800 square mile area off the southern China coast. The agreement with the China Petroleum Company will be submitted to both governments for approval.

Building orders fall

Seasonally adjusted construction orders received by 43 Japanese companies in March fell by 4.1 per cent from the February level, equivalent to a decline of about £1,350m.

Price rises slow

The South African wholesale price index rose by 0.63 per cent in March after a 1.25 per cent rise in February. The year-on-year increase slowed to 18.1 per cent from 18.64 per cent in February, according to official figures.

Thai export target

Thailand has set its export target for this year at 136,000m baht (£3,000m), a 25 per cent increase on last year's actual exports, a spokesman for the commerce ministry said. He forecast that the country would still suffer a trade deficit of 45,000m baht.

Department of Energy to be given names of companies denied supplies

Campaign against gas monopoly

Chemical industry leaders expect soon to be able to provide the Department of Energy with detailed examples of cases in which companies have been refused a gas supply.

The names of the companies will not be made public, but it is hoped that their experience will demonstrate that the inability of British Gas to meet industrial demand is restraining investment and job creation.

Last February, the House of Commons was told that altogether 4,000 companies were waiting to be connected.

It is understood that the department will also be given estimates of likely regional demand for gas supplied to industrial producers by an independent distribution system.

The information has been gathered largely at the request of energy ministers to support radical proposals by the Chemical Industries Association that the Government break the British Gas monopoly in buying, moving and selling gas in the United Kingdom.

This would give potential suppliers from the private sector an opportunity to provide a new network for industry. It was suggested at a meeting with Mr. David Howell, Secretary of State for Energy, earlier this year, that this might serve highly concentrated areas of industrial demand such as the North-west, the Midlands, the North-east and central Scotland.

The association, which represents an industry with an annual turnover of about £5,000m, sees the ending of the British Gas monopoly as part of the long-term solution to supply problems.

It estimates that there will be a shortfall in supplies to the gas chemicals industry by 1983 of about 200 million cubic feet a day. Because of past and existing obligations to the domestic consumer, industry has found itself increasingly starved of new supplies, the association argues.

In the first six months of the past year, for example, 935 million additional therms became available, but of that total only 32 million went to industry.

The Government and the British Gas Corporation acknowledge that because of the very large increase in domestic demand it has been unable to meet industrial requests for supplies.

It has expressed interest in the chemical industry's proposals, but asked the association to provide further details, Mr. Martin Trowbridge, director general of the association, explained.

Talks are also to be held next week with the United Kingdom Offshore Operators' Association over the feasibility of an independent distribution scheme.

In the past companies have been reluctant to admit that they had been refused a supply because they feared that it might delay further a connection. But it is known that demands by the Swiss-based Roche group for gas to power its new vitamin C plant at Dalry in Ayrshire could not be met.

Mr. Trowbridge emphasized that his association members were not planning to go into the gas supply business, although some of their parent companies, with North Sea interests, were watching developments.

"What we are seeking is a change in the law to allow potential independent operators the opportunity to act should it prove commercially feasible."

Chemical industry leaders have held several meetings with British Gas over both the availability of gas and its price. They believe that, but for the mildness of the winter and the generally low level of industrial activity, consumers on "interruptible" contracts may have faced hardship because of supply cuts.

They have also argued, inconclusively, that British industrial gas users are at a price disadvantage against overseas rivals.

Part of the answer to both availability and price problems faced by industry, they believe, lies in raising domestic tariffs.

John Huxley

Bank invests £5m in small businesses

By Peter Hill

Barclays Bank is to invest £5m in small industrial premises to be built in assisted areas. The bank will acquire sites from the English Industrial Estates Corporation and finance the building work which will be done by the corporation.

The bank is the third major private sector investor in the Government's attempts to provide premises for small companies in industrially depressed areas. The programme began after a report published earlier this year showed there was a significant shortage of small industrial premises throughout the country.

Since the report was published, £25m has been raised to build these small units and £20m of this has been provided by the private sector. In February, the Legal and General Assurance Company put up £5m for the development of more conventional industrial units in the assisted areas and last month CIN Properties offered £15m. In return for the investment the private sector companies will control the freehold of the properties and retain control of the rents.

Mr. David Mitchell, Parliamentary Under Secretary of State for Industry welcomed Barclays' involvement in the venture. He said that would help for the construction of at least 200 much needed nursery units.

Both Dr. Lanz and Dr. Rolf Sammet, chairman of Hoechst, hinted that they would oppose attempts to persuade the Commission to protect western European producers.

Dr. Sammet said that the revival in profitability of fibres in 1979 might prove exceptional. However, he was convinced that the group, which has a fibres plant at Limavady in Northern Ireland, was now in good shape to face the future.

He said that attempts by British manufacturers to curb imports had led to "not fortunate arrangements".

It was intended that manufacturing industry would have reached 75 per cent metacrilic by 1975; in fact, industrial observers say that progress has been made only halfway.

Mr. Jack Whiteley, who leads the CBI's metacrilic panel, has recently completed a survey of more than 5,000 engineering companies which suggests that the sector is only 45 per cent of the way towards completing the switch from imperial measures.

The cost of dual working, in metric and imperial, for an average company with 140 employees and an annual turnover of £1.7m, is put at £49,000 (a year). Although the CBI admits that aggregate figures can be misleading, it suggests that the total cost to manufacturing industry of continuing to operate a half and half system is about £1,100m a year.

Altogether the CBI survey suggests that 44 per cent of small manufacturing industry in 1979 was still built to imperial measures. As much of the plant has a life of more than 20 years, it means that total transition cannot occur until at least the turn of the century.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

"We must always bear in mind the difference in true net cost to the Treasury of a pound spent with British industry and a pound spent abroad. The true purchasing power of the red, white and blue pound can be conservatively assessed as one third more than a pound paid to our foreign competitors."

By Kenneth Owen
Technology Editor

Public buying policy should be used more effectively to strengthen British industry, Mr. John Sutherland, president of the Electronic Engineering Association, said in London last night.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

"We must always bear in mind the difference in true net cost to the Treasury of a pound spent with British industry and a pound spent abroad. The true purchasing power of the red, white and blue pound can be conservatively assessed as one third more than a pound paid to our foreign competitors."

By Kenneth Owen
Technology Editor

Public buying policy should be used more effectively to strengthen British industry, Mr. John Sutherland, president of the Electronic Engineering Association, said in London last night.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

"We must always bear in mind the difference in true net cost to the Treasury of a pound spent with British industry and a pound spent abroad. The true purchasing power of the red, white and blue pound can be conservatively assessed as one third more than a pound paid to our foreign competitors."

By Kenneth Owen
Technology Editor

Public buying policy should be used more effectively to strengthen British industry, Mr. John Sutherland, president of the Electronic Engineering Association, said in London last night.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

US fibre imports a long-term challenge

By John Huxley

A warning that cheap imports of man-made fibres from the United States will continue to challenge European markets even after the present, allegedly unfair, cost advantages enjoyed by American producers had been eroded, has been given by a leading chemicals executive.

Dr. Kurt Lanz, the West German president of CEFIC, the European federation of chemical manufacturers, said that "problems" posed by artificially low energy and feedstock costs enjoyed by American producers would recede.

At the same time, the challenge from cheap American imports, first felt in fibres but more recently in plastics and other bulk chemicals, would be moderated. However, he said that because of other production advantages in the United States in fibres production, European producers would remain under pressure.

Dr. Lanz, who is also deputy chairman of Hoechst, the West German chemicals company, added that action taken by Britain to stem imports of fibres, especially from the United States, would not yield results. The quotas agreed by the European Commission were above the effective import level, he said.

Both Dr. Lanz and Dr. Rolf Sammet, chairman of Hoechst, hinted that they would oppose attempts to persuade the Commission to protect western European producers.

Dr. Sammet said that the revival in profitability of fibres in 1979 might prove exceptional. However, he was convinced that the group, which has a fibres plant at Limavady in Northern Ireland, was now in good shape to face the future.

He said that attempts by British manufacturers to curb imports had led to "not fortunate arrangements".

It was intended that manufacturing industry would have reached 75 per cent metacrilic by 1975; in fact, industrial observers say that progress has been made only halfway.

Mr. Jack Whiteley, who leads the CBI's metacrilic panel, has recently completed a survey of more than 5,000 engineering companies which suggests that the sector is only 45 per cent of the way towards completing the switch from imperial measures.

The cost of dual working, in metric and imperial, for an average company with 140 employees and an annual turnover of £1.7m, is put at £49,000 (a year). Although the CBI admits that aggregate figures can be misleading, it suggests that the total cost to manufacturing industry of continuing to operate a half and half system is about £1,100m a year.

Altogether the CBI survey suggests that 44 per cent of small manufacturing industry in 1979 was still built to imperial measures. As much of the plant has a life of more than 20 years, it means that total transition cannot occur until at least the turn of the century.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

"We must always bear in mind the difference in true net cost to the Treasury of a pound spent with British industry and a pound spent abroad. The true purchasing power of the red, white and blue pound can be conservatively assessed as one third more than a pound paid to our foreign competitors."

By Kenneth Owen
Technology Editor

Public buying policy should be used more effectively to strengthen British industry, Mr. John Sutherland, president of the Electronic Engineering Association, said in London last night.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

"We must always bear in mind the difference in true net cost to the Treasury of a pound spent with British industry and a pound spent abroad. The true purchasing power of the red, white and blue pound can be conservatively assessed as one third more than a pound paid to our foreign competitors."

By Kenneth Owen
Technology Editor

Public buying policy should be used more effectively to strengthen British industry, Mr. John Sutherland, president of the Electronic Engineering Association, said in London last night.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

"We must always bear in mind the difference in true net cost to the Treasury of a pound spent with British industry and a pound spent abroad. The true purchasing power of the red, white and blue pound can be conservatively assessed as one third more than a pound paid to our foreign competitors."

By Kenneth Owen
Technology Editor

Public buying policy should be used more effectively to strengthen British industry, Mr. John Sutherland, president of the Electronic Engineering Association, said in London last night.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

CBI urges faster metrication

By Our Industrial Staff

Employers' leaders will seek to persuade the Government to press ahead with metrication when they meet Lord Trenchard, Minister of State at the Department of Industry, later today.

The Confederation of British Industry says that failure to complete the transition—which will be slowed by the abolition of the Metrication Board this week—could cost industry many millions of pounds—possibly as much as £1,400m a year.

The delegation, led by Mr. Bryan Rigby, CBI director general, the CBI is expected to tell the minister that unless a firm lead is provided by Government the switch will not be completed for at least another 20 years.

"Industrial companies cannot change on their own. Changing depends on customers as well as suppliers, and needs at least a minimum of co-operation," Mr. Rigby said last night.

The CBI is particularly concerned about the switch in the country and industry in particular is being plunged into uncertainty.

Pressure from industry was largely responsible for the establishment of the metrication programme and the launching of the Metrication Board 11 years ago.

It was intended that manufacturing industry would have reached 75 per cent metacrilic by 1975; in fact, industrial observers say that progress has been made only halfway.

Mr. Jack Whiteley, who leads the CBI's metacrilic panel, has recently completed a survey of more than 5,000 engineering companies which suggests that the sector is only 45 per cent of the way towards completing the switch from imperial measures.

The cost of dual working, in metric and imperial, for an average company with 140 employees and an annual turnover of £1.7m, is put at £49,000 (a year). Although the CBI admits that aggregate figures can be misleading, it suggests that the total cost to manufacturing industry of continuing to operate a half and half system is about £1,100m a year.

Altogether the CBI survey suggests that 44 per cent of small manufacturing industry in 1979 was still built to imperial measures. As much of the plant has a life of more than 20 years, it means that total transition cannot occur until at least the turn of the century.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

"We must always bear in mind the difference in true net cost to the Treasury of a pound spent with British industry and a pound spent abroad. The true purchasing power of the red, white and blue pound can be conservatively assessed as one third more than a pound paid to our foreign competitors."

By Kenneth Owen
Technology Editor

Public buying policy should be used more effectively to strengthen British industry, Mr. John Sutherland, president of the Electronic Engineering Association, said in London last night.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

"We must always bear in mind the difference in true net cost to the Treasury of a pound spent with British industry and a pound spent abroad. The true purchasing power of the red, white and blue pound can be conservatively assessed as one third more than a pound paid to our foreign competitors."

By Kenneth Owen
Technology Editor

Public buying policy should be used more effectively to strengthen British industry, Mr. John Sutherland, president of the Electronic Engineering Association, said in London last night.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

"We must always bear in mind the difference in true net cost to the Treasury of a pound spent with British industry and a pound spent abroad. The true purchasing power of the red, white and blue pound can be conservatively assessed as one third more than a pound paid to our foreign competitors."

By Kenneth Owen
Technology Editor

Public buying policy should be used more effectively to strengthen British industry, Mr. John Sutherland, president of the Electronic Engineering Association, said in London last night.

Speaking at the annual dinner of the association, Mr. Sutherland said that Britain's decline in competitiveness must be reversed. The export of British industry's foreign competitors was underpinned by strong and dependable home demand from their own government for products and systems which had been developed at public expense.

Efforts by the British Government to help and support exports were improving, the EEA president conceded.

But he added: "Foreign purchases are still made in circumstances which would be inconceivable for trading competitors. The foreign trade window is always that little bit more attractive to our government buyers, the foreign salesman's claim that little bit more extravagant, but still lamentably credible to his victim; and when we do buy overseas it is sometimes more as supplicants than customers."

Problem with 'Limited'

From the Principal, The British School of Osteopathy

Sir, I understand that the Department of Trade has issued a consultation document concerning a proposed change in the Companies Registration Office. It is proposed to make these changes as part of the Government's economy drive.

One of the proposals made is that "the department will no longer authorise any company to omit the word 'limited' from its name: private companies already holding dispensation should be required to add 'limited' to their names after a suitable transitional period."

We are a limited company and also a registered charity, whose objectives are "the promotion of the general advancement of osteopathic education; to encourage research; to establish scholarships and prizes, and to promote and qualify those who wish to maintain and practise the system of osteopathy."

Because of these educational purposes and objectives, we sought an amendment to our Memorandum and Articles of Association dated May 7, 1917, to delete the word "limited" from our title, and this was granted on January 23, 1979. I am sure that many other private limited companies with not dissimilar objectives and purposes have obtained the same dispensation and I would suggest that the department should consider the desirability of such a measure, *per se*, I cannot see how, in fact, that discontinuance of departmental authorisation will result in great, if any, real economies.

If, indeed, if the latter part of the proposal is also implemented, surely the cost to public funds will be at least as high as it is now, if not higher.

Yours faithfully,
S. F. C. BRADFORD,
Principal,
The British School of Osteopathy,
16 Buckingham Gate,
London SW1E 6LB.

Offshore structures tests

From Mr Ian McDonald

Sir, Mr. Graham Whiting (April 24) may take some comfort from the knowledge that the model testing of offshore structures is rightly regarded as an essential ingredient in a structure's design. A number of laboratories and test establishments, including our own, are deeply involved in model testing of offshore structures throughout their design phase.

Tests are carried out on dynamically accurate models in all weather conditions likely to be encountered. Laboratory conditions are created to simulate the worst storms that statistics indicate will occur in any 100 year period. Additional tests are undertaken to investigate stability in the event of collision damage or major structural failure.

Oil companies work closely with research laboratories, contractors, the Department of Energy and classification societies to ensure that designs are as safe as possible in the light of current technology and every effort is made to avoid catastrophes such as that which occurred with the Alexander Kieland.

Yours faithfully,
IAN McDONALD,
Director,
Sea Bed Engineering Ltd,
PO Box 3,
West Kirby,
Wirral, Cheshire.

Code of practice for building drawings

From Mr Alex Gordon

Sir, Mr. A. C. Ensom (letters April 18) is not alone in his view that the additional costs in building contracts. He mentions changes in specification made during the course of construction as being the main cause of construction costs and others need to tackle the problem at the design stage during the preparation of the pre-contract documentation.

Mr Ensom will be pleased to learn that the Government's Project Information Group, which included representatives from all sides of the building industry, recommended in 1978, among other things, that there should be a code of practice for drawings.

This idea was taken up last year by the National Federation of Building Trades Employers, the Royal Institute of British Architects and the Royal Institution of Chartered Surveyors, who between them have formed the Coordinating Committee for Project Information.

This committee has the complex and difficult task of developing proposals for a code of practice for drawings which can be coordinated with the specifications and bills of quantities. This move should considerably improve the documentation produced at tender stage.

Yours faithfully,
ALEX GORDON,
Chairman,
Coordinating Committee for Project Information,
12 Great George Street,
Parliament Square,
London SW1P 3AD,
April 28.

Long history of levitation

From R. G. R. Calvert

Sir, Mr. Peter Hill ("Levitation": answer to a Japanese transport problem" April 25) should obtain and read your issue of May 13, 1914—refer to the report of the demonstration in London organized by Mr. Ramie Rachelet.

Incidentally on April 5, 1957 Lieutenant Colonel John F. Stapp, at the Holloman Air Force Base, Alamogordo, New Mexico, travelled at 632 mph

on a rail-borne vehicle to break his own record of 421 mph made in 1954. Subsequently in 1963 an unmanned rail-borne vehicle at Alamogordo reached a speed of 3,753 mph but perhaps this does not count. These exploits were jet-propelled.

Yours faithfully,
R. G. R. CALVERT,
45 Woodway, Oxhey, Watford,
April 25.

Paying your money and getting no choice

LEGGE 5-LEVER SECURITY LOCKS

Get some real protection from LEGGE

LEGGE 5-LEVER SECURITY LOCKS

Get some real protection from LEGGE

THE TIMES

BUSINESS NEWS

Stock markets

FT Index 443.2, up 2.8
FT 100s 67.27, up 0.05

Sterling

\$2.2600, up 15 points
Index 72.9, up 0.3

Dollar

Index 86.8, unchanged

Gold

\$497.50, down \$17

Money

3 mth sterling 17.4-17.6
3 mth Euro \$ 131-14
6 mth Euro \$ 134-136

IN BRIEF

Improved offer to bank clerical workers

Bank employers conceded marginal improvements in their 19 per cent pay award to nearly 100,000 clerical workers, last night.

Staff associations representing employees at National Westminster, Lloyds and Barclays Banks are unhappy with the new offer and the Banking Insurance and Finance Union is to hold a special executive meeting next Tuesday to discuss the employers' latest move.

The banks' offer, which is aimed at correcting differentials makes improvements in back-dating payments to certain grades. The previous offer was rejected by the staff associations and BIFU.

Arab oil price rises

Unconfirmed reports yesterday suggested that both Kuwait and Saudi Arabia were about to put up prices. Saudi prices are expected to rise at an OPEC meeting next week and Kuwait is said to be imposing a \$2.50 a barrel surcharge.

Consumer spending up

Consumer spending rose by 2.25 per cent in the first quarter of this year, according to official figures released yesterday.

Table, page 25

Exports recover

British exports to Nigeria, which slumped by about £500m in 1979, have recovered. Sales in the first quarter were £250m. Mr John Nott, Secretary of State for Trade, leaves on a visit to Nigeria on Monday.

House prices higher

House prices in the first quarter rose by 3.7 per cent to an average of £23,400. New houses are more expensive at an average of £26,200, having increased by 6 per cent in the first quarter compared with the 3 per cent rise in second-hand homes.

More US dealings

Dealings in the 120 American stocks quoted on the London Stock Exchange have more than doubled since October when exchange controls were lifted. Mr Nicholas Goodison, the exchange chairman, told analysts in Boston.

Arab aid to Turkey

Saudi Arabia is to give Turkey a cash credit of \$200m (£110m). Mr Süleyman Demirel, the Turkish premier, announced.

£4.5m power contract

Brush Electrical Machines will supply 10 sets of electrical power equipment for the new NPT high-speed passenger trains to operate between Canberra and Sydney. The contract is worth £4.5m.

Rhodesian assets

Mr Nigel Lawson, Financial Secretary to the Treasury, told MPs that remaining Rhodesian assets in the United Kingdom were probably more than £100m.

W & H Street down

On the New York Stock Exchange the Dow Jones Industrial average closed 3.27 points down to 808.79 in trading over 100 million shares. The dollar against the SDR was 0.522396, while the pound was 0.522396.

Post Office plans to spend £1,500m a year on improved telephone service

By Kenneth Owen, Technology Editor

The Post Office is planning an "unprecedented" effort to improve the quality of the telephone service over the next five years, Mr Peter Benton, managing director of Post Office Telecommunications, said yesterday. It will cost £1,500m a year to expand and modernize the network and customers' telephones.

Between now and 1990, a 50 per cent increase in the size of the telephone network was envisaged, Mr Benton said. There are 17 million customers and 27 million telephones at present, making the British telephone system already one of the largest in the world.

Last year the Post Office telecommunications business had financed its development programmes entirely from retained earnings, he said, but for this year it needed to augment this with external borrowing.

The modernization which goes against the line of government policy towards the public corporations at present, is being discussed with the Department of Industry and with the Treasury, which approval must be obtained.

Mr Benton described the plan as "attacking the problem at the roots; we intend to improve service permanently, and we will not be content until British has the finest telecommunications system in the world."

There were still deficiencies unresolved, he added, "but we have the will and the ability to overcome them."

Mr Benton announced an eight-point plan to improve the service:

1. Modernizing and replacing with electronic exchanges the old electromechanical exchanges in use throughout the country. Top priority is to be given to replacing those which are unsatisfactory because of old age or equipment failure.

2. Improving the reliability of the standard telephone. Improved models and better components for existing models are to be introduced. More than 25 million standard telephones are to be replaced or improved, at a cost of £25m over the next four years.

3. Improving the payphone service. By 1985 all 77,000 public coinbox telephones will be replaced by modern designs, and all 400,000 tenner coinbox telephones by 1988. This will cost over £250m.

4. Improving the international service. This is already one of the most advanced in the world, Mr Benton said, with 95 per cent of customers of Britain's international automatic service able to dial any of the 100 countries in the middle of a drive to improve the international operator service which is beginning to show results.

5. Improving the speed of reaction to customer complaints by delegating responsibility and authority for action to individuals. "The old civil service management style in headquarters has been sweeping and the business reorganized on commercial lines," he said.

6. Improving purchasing methods to enable the corporation to deliver what it promised.

7. Removing causes of staff discontent and encouraging a dedication to customer service.

The Post Office had promised the Government to reduce the real cost of its telecommunications services to the customer by an average of 5 per cent a year between 1978 and 1982, Mr Benton concluded. "So far we are ahead of target."

Mr Benton, who officially took over as chairman of Posts and the National Giro-bank yesterday, said that the postal business was entering a crucial period.



Mr Peter Benton: intention is to improve service permanently

"New facilities" are to be offered to customers on all exchanges progressively, starting this year.

2. Identifying trouble spots in the local cable network and replacing plant which did not meet high performance standards. A total of £35m was spent on this last year and £42m would be spent in 1980-81.

3. Improving the reliability of the standard telephone. Improved models and better components for existing models are to be introduced. More than 25 million standard telephones are to be replaced or improved, at a cost of £25m over the next four years.

4. Improving the payphone service. By 1985 all 77,000 public coinbox telephones will be replaced by modern designs, and all 400,000 tenner coinbox telephones by 1988. This will cost over £250m.

5. Improving the international service. This is already one of the most advanced in the world, Mr Benton said, with 95 per cent of customers of Britain's international automatic service able to dial any of the 100 countries in the middle of a drive to improve the international operator service which is beginning to show results.

6. Improving the speed of reaction to customer complaints by delegating responsibility and authority for action to individuals. "The old civil service management style in headquarters has been sweeping and the business reorganized on commercial lines," he said.

7. Removing causes of staff discontent and encouraging a dedication to customer service.

The Post Office had promised the Government to reduce the real cost of its telecommunications services to the customer by an average of 5 per cent a year between 1978 and 1982, Mr Benton concluded. "So far we are ahead of target."

Mr Benton, who officially took over as chairman of Posts and the National Giro-bank yesterday, said that the postal business was entering a crucial period.

8. Improving purchasing methods to enable the corporation to deliver what it promised.

9. Removing causes of staff discontent and encouraging a dedication to customer service.

The Post Office had promised the Government to reduce the real cost of its telecommunications services to the customer by an average of 5 per cent a year between 1978 and 1982, Mr Benton concluded. "So far we are ahead of target."

Mr Benton, who officially took over as chairman of Posts and the National Giro-bank yesterday, said that the postal business was entering a crucial period.

international automatic service able to dial any of the 100 countries in the middle of a drive to improve the international operator service which is beginning to show results.

6. Improving the speed of reaction to customer complaints by delegating responsibility and authority for action to individuals. "The old civil service management style in headquarters has been sweeping and the business reorganized on commercial lines," he said.

7. Removing causes of staff discontent and encouraging a dedication to customer service.

The Post Office had promised the Government to reduce the real cost of its telecommunications services to the customer by an average of 5 per cent a year between 1978 and 1982, Mr Benton concluded. "So far we are ahead of target."

Mr Benton, who officially took over as chairman of Posts and the National Giro-bank yesterday, said that the postal business was entering a crucial period.

8. Improving purchasing methods to enable the corporation to deliver what it promised.

9. Removing causes of staff discontent and encouraging a dedication to customer service.

The Post Office had promised the Government to reduce the real cost of its telecommunications services to the customer by an average of 5 per cent a year between 1978 and 1982, Mr Benton concluded. "So far we are ahead of target."

Mr Benton, who officially took over as chairman of Posts and the National Giro-bank yesterday, said that the postal business was entering a crucial period.

10. Improving the speed of reaction to customer complaints by delegating responsibility and authority for action to individuals. "The old civil service management style in headquarters has been sweeping and the business reorganized on commercial lines," he said.

11. Removing causes of staff discontent and encouraging a dedication to customer service.

The Post Office had promised the Government to reduce the real cost of its telecommunications services to the customer by an average of 5 per cent a year between 1978 and 1982, Mr Benton concluded. "So far we are ahead of target."

Mr Benton, who officially took over as chairman of Posts and the National Giro-bank yesterday, said that the postal business was entering a crucial period.

12. Improving the speed of reaction to customer complaints by delegating responsibility and authority for action to individuals. "The old civil service management style in headquarters has been sweeping and the business reorganized on commercial lines," he said.

Doulton's £24m offer secures Fairey

By Andrew Goodrick-Clarke, Financial Editor

S. Pearson's industrial subsidiary, Doulton, has won the National Enterprise Board's auction of Fairey Holdings with an offer of £24m.

The NEB opted for Doulton's bid, most of which will be in cash, in the face of a last-minute attempt yesterday by the other bidder, Hambros, the merchant bank, which had indicated that it might pay up to £28m.

Hambros, backed by a number of institutional investors, had a firm bid on the table worth £20.5m. This was the offer the NEB matched against Doulton's, apparently leaving aside the possibility that Hambros could have put up a package worth £23m.

Mr Christopher Sporborg of Hambros said last night: "For the sake of a premium of 5 per cent, it strikes me as sad that the NEB did not consider it reasonable to give us a chance."

Knowing that the preference shares of the company were to be sold independently, knowing that we planned to give participation to the employees, knowing that the present Government doesn't like conglomerates, and since there is no real industrial logic (in the Doulton offer) it just seems sad to me."

An NEB spokesman said that Doulton's offer was "the highest acceptable bid and it appeared a 'clear, satisfactory price'."

On the other side, Hambros, which in February initiated the auction with an unsolicited bid for Fairey worth £19.5m, was upset that its offer had been rejected.

Fairey, the nuclear engineering, aerospace components and bridge building group, has been owned by the NEB for just over two years. Under its present management it has staged a remarkable revival in publishing, ceramics, tableware, engineering and leisure, wanted Fairey to create a better balance for its engineering interests.

Fairey will remain unchanged and Mr Angus Murray will continue as its chairman. Mr Murray and Mr Kenneth Bacon, Fairey's chief executive, will join the Doulton board.

Financial Editor, page 21

Fraser may be rival bidder for Maple

By Rosemary Unsworth

The board of Maple Holdings, the furniture chain, renewed yesterday that it may receive a takeover bid from a second suitor.

This was signalled by a request to Maple, to provide information about its properties, the day after it rejected an improved offer from a new retailer Waring and Gifford of 35p a share.

The identity of the potential bidder was not disclosed, but Fraser & Neave, a firm favourite in the stock market, is believed that the departmental store operator, in which Lofthouse has a near 30 per cent stake, would use its £10.6m worth of unissued share capital for any bid.

Waring's improved offer values Maple at £9.7m, compared with its first offer of £8.4m.

Morgan Grenfell, Maple's financial adviser, said yesterday that it would not expect another bid to materialize much before the first closing date of May 21 for Waring's offer.

Licences for 90 N Sea blocks in seventh oil exploration round

By Nicholas Hirst

Ninety new blocks for the exploration and production of oil and gas on the United Kingdom Continental Shelf are to be licensed by the Department of Energy, David Edwards, the Secretary of State, told Parliament yesterday.

This is the seventh round of licensing since the start of the system in 1964. It is about 20 blocks more than was originally planned as a result of requests from the offshore industry for more exploration acreage, and includes two new features and one important change from the fifth and sixth rounds of the previous licensing.

Oil companies will be able to choose any block they like within a designated area among the most explored areas of the North Sea, where most finds have been made, and £5m will be charged for each licence awarded in this way.

At least 20 blocks in this area, which is bounded to the north by the 62nd parallel running beside the meridian line and to the south by the 56th parallel, premium payments of this kind have not been demanded before, nor has the industry had the ability to nominate blocks.

Nominations and premiums are a halfway house to auctioning blocks to the highest bidder. At present blocks are awarded on the discretion of the Secretary of State.

A trial auction was held in the fourth licensing round, but for sector against imports for years. The British Rubber Tyre Manufacturers' Association formally applied to the Commission for anti-dumping action in March last year.

The Department of Trade said: "Because of the number of exporters involved, and the number of types of tyre, the investigation was a complex one; but it has shown that all the producers named in the complaint had been dumping by varying amounts."

In addition, representatives of the commission visited the United Kingdom producers and confirmed that the dumping had caused significant injury to the Community industry.

Mr Nott said that the case, which covered four countries and 23 tyre specifications demonstrated that anti-dumping procedures could be made to work effectively to protect industry against unfair competition.

Mr Nott said that the case, which covered four countries and 23 tyre specifications demonstrated that anti-dumping procedures could be made to work effectively to protect industry against unfair competition.

Mr Nott said that the case, which covered four countries and 23 tyre specifications demonstrated that anti-dumping procedures could be made to work effectively to protect industry against unfair competition.

Mr Nott said that the case, which covered four countries and 23 tyre specifications demonstrated that anti-dumping procedures could be made to work effectively to protect industry against unfair competition.

Mr Nott said that the case, which covered four countries and 23 tyre specifications demonstrated that anti-dumping procedures could be made to work effectively to protect industry against unfair competition.

Mr Nott said that the case, which covered four countries and 23 tyre specifications demonstrated that anti-dumping procedures could be made to work effectively to protect industry against unfair competition.

Mr Nott said that the case, which covered four countries and 23 tyre specifications demonstrated that anti-dumping procedures could be made to work effectively to protect industry against unfair competition.

Fraser may be rival bidder for Maple

By Rosemary Unsworth

The board of Maple Holdings, the furniture chain, renewed yesterday that it may receive a takeover bid from a second suitor.

This was signalled by a request to Maple, to provide information about its properties, the day after it rejected an improved offer from a new retailer Waring and Gifford of 35p a share.

The identity of the potential bidder was not disclosed, but Fraser & Neave, a firm favourite in the stock market, is believed that the departmental store operator, in which Lofthouse has a near 30 per cent stake, would use its £10.6m worth of unissued share capital for any bid.

Waring's improved offer values Maple at £9.7m, compared with its first offer of £8.4m.

Morgan Grenfell, Maple's financial adviser, said yesterday that it would not expect another bid to materialize much before the first closing date of May 21 for Waring's offer.

Mr George Willoughby, Fraser's finance director, said that he was busy yesterday dealing with the group's problems rather than investigating Maple's property portfolio.

Prime rates reduced as President predicts cut in US inflation

From Frank Vogl, Washington, May 1

President Carter declared today that he believes the United States economy "has turned the corner" with the prospect of a significant fall in the rate of inflation in coming months.

The President's comments came as banks across the country announced cuts in prime lending rates. The Merchant National Bank of Indianapolis moved in front of all other banks in reducing its prime rate to 18 1/2 per cent from 19 per cent.

The decline in interest rates here, at a time when inflation remains high and some foreign banks are raising their discount rates, is provoking concern that the dollar may face severe selling pressure.

The strength of the dollar in the first quarter of this year resulted in foreign central banks selling dollars to the United States Treasury securities.

President Carter appealed for support for his anti-inflation programme today at a meeting of the Institute of Accountants. He repeated his pledge not to let inflationary wage and price controls.

His optimism on inflation is based on administration forecasts of interest rate declines, stable oil prices and a recession. The administration expects the new unemployment figure tomorrow will show a significant rise.

Mr Robert Carwell, Deputy Secretary of the Treasury, said several foreign central banks, including the German, had applied the proceeds of \$125.9m (£56m) to reduce its bank loans.

There have been suggestions from the European Commission that a trade protectionist action against the European steel industry by the Americans would produce swift and sharp retaliation. A serious trade war could result, damaging transatlantic relations, according to some EEC officials.

The trade commission's action was the first stage in a complex process, which ultimately could see barriers on steel imports. The commission concluded that there was a "reasonable indication" that low-priced European steel was damaging the American steel companies.

Anger over GKN truck deal

By Clifford Webb, Midlands Industrial Correspondent

Guest, Keen and Nettlefolds, Britain's biggest engineering group has upset some of its customers by agreeing to mark down the price of its German trucks, buses and utility vehicles.

In its largest ever barter agreement GKN is taking the vehicles in full payment for the recently announced £40m deal to supervise the expansion and modernisation of a forging plant for the automotive industry at Ludwigsfelde.

Mr Cecil Parkinson, Minister of State at the Department of Trade, broke the news of the deal at the Leipzig Trade Fair last month but gave no details of the barter arrangements.

He also revealed that British companies were negotiating a further 14 East German contracts worth £750m and had high hopes of winning several of them.

A GKN spokesman said last night: "The compensation trading agreement calls for us to undertake the marketing of East German vehicles over a 10-year period, to cover the full cost of the £84m deal."

Our marketing people are looking into the best methods of doing this, to ensure that they will be sold overseas using our international trading network."

"A European motor industry executive said: "GKN has upset a lot of commercial vehicle people with this deal. It was always insisted that it would never go into the complete vehicle business because that would put it into direct competition with its customers."

Mr Cecil Parkinson, Minister of State at the Department of Trade, broke the news of the deal at the Leipzig Trade Fair last month but gave no details of the barter arrangements.

He also revealed that British companies were negotiating a further 14 East German contracts worth £750m and had high hopes of winning several of them.

A GKN spokesman said last night: "The compensation trading agreement calls for us to undertake the marketing of East German vehicles over a 10-year period, to cover the full cost of the £84m deal."

Our marketing people are looking into the best methods of doing this, to ensure that they will be sold overseas using our international trading network."

"A European motor industry executive said: "GKN has upset a lot of commercial vehicle people with this deal. It was always insisted that it would never go into the complete vehicle business because that would put it into direct competition with its customers."

Mr Cecil Parkinson, Minister of State at the Department of Trade, broke the news of the deal at the Leipzig Trade Fair last month but gave no details of the barter arrangements.

He also revealed that British companies were negotiating a further 14 East German contracts worth £750m and had high hopes of winning several of them.

A GKN spokesman said last night: "The compensation trading agreement calls for us to undertake the marketing of East German vehicles over a 10-year period, to cover the full cost of the £84m deal."

Our marketing people are looking into the best methods of doing this, to ensure that they will be sold overseas using our international trading network."

PRICE CHANGES

Rises

Roll H	25p to 145p
Barrett & R	25p to 523p
Roller Roder	125 to 511p
Barrett & Newman	15p to 131p
Hunting Gibson	15p to 106p

Falls

Divisors	25p to 580p
Dunfonten	68p to 511p
East Dazza	5p to 65p
Guthrie	25p to 750p
Leslie	5p to 115p

THE POUND

Australia \$	Bank 2.08	Bank 2.02
Austria Sch	30.25	28.50
Belgium Fr	69.25	65.25
Canada \$	7.21	7.64
Denmark Mk	16.00	12.00
France Fr	8.50	8.40
Germany DM	9.70	9.30
Greece Dr	4.22	4.00
Italy Lira	36.00	31.00
Japan Yen	11.00	10.95
Netherlands Gld	4.65	4.42

Norway Kr	11.50	11.00
Portugal Esc	113.00	107.00
Spain Ptas	167.25	152.25
Sweden Kr	9.50	9.40
Switzerland Fr	3.93	3.71
USA \$	2.30	2.24
Yugoslavia Dn	51.00	48.00

Prepacked products force 'worlds biggest fishmonger' to shut-up shop

MacFisheries frozen out of retail market

MacFisheries, once the world's biggest fishmonger, is to cease its High Street retailing operations at the end of this year. A spokesman for Unilever, which owns the business, said it was "the end of an era."

Today, only 55 MacFisheries shops remain in the United Kingdom, compared with more than 400 in the years immediately after the Second World War. But faced with mounting losses totalling about £1m in the last three years, Unilever said it had no option but to shut up shop.

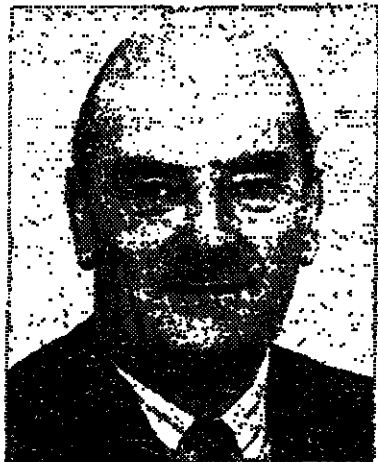
The demise of MacFisheries has been caused not by a lack of demand for fish but by rapidly changing economic and social conditions. Distribution of what is a highly perishable commodity has always been difficult, but since the 1960s and the arrival of the supermarket and the deep-freeze, the wet fish trade has been steadily eroded by the prepacked, frozen product.

Ironically, while closing its shops, MacFisheries said it would continue to operate its £25m-a-year fish processing and wholesale business which is largely geared to the supply of processed fish—in such products as fish fingers or fish cakes—to supermarkets.

The last of its shops will close during the last three months of this year. A total of 550 employees will be made redundant, but the company said that a number of separate transactions for the properties would be involved and there could be retraining opportunities for "suitable MacFisheries employees."

The concept of a national chain of fish shops was conceived in 1918 by the first Lord Leverhulme. He had bought the island of Lewis and part of Harris in the Outer Hebrides—originally to retire to—and saw the opportunity for selling fish caught by the crofters. The first shop was opened in England the following year and the chain was established with the purchase of fishmongers throughout the country.

In the 1960s, MacFisheries realized the threat posed by the new retailing techniques and in 1964 formed MacMarkets, a supermarket operation, as a subsidiary.



"The decade ended on a high note, with premium income, bonuses to policyholders, and profits from our general business all substantially increased."

DESMOND E. LONGE MCDL
CHAIRMAN NORWICH UNION INSURANCE GROUP

REAL GROWTH for NORWICH UNION

Protection for Life Policyholders

With increased annual bonus rates and a special bonus declared for 1979 we can claim to have protected our longer term individual and pensions policyholders from the effects of inflation—even ignoring tax relief on premiums.

During the year £220m. new money was invested on behalf of the United Kingdom Life policyholders: £90m. in Government stocks; £53m. in ordinary shares and £51m. in real estate.

Once again, our increase in new annual premiums in the United Kingdom, at 21 per cent, exceeded the market average and this after a really exceptional performance in 1978. Our overseas new premiums, measured in Sterling, expanded by 9 per cent, but the figure would have been 17 per cent at constant rates of exchange.

Five Years of Underwriting Profits

For the fifth consecutive year the Fire Society has produced an underwriting profit—though modest in size it is a commendable achievement when viewed against the performance of the market generally. This £2.6m., when added to a 38 per cent increase in investment income is reflected in a record pre-tax profit of £36m.

Results from the Home Accident and Motor Accounts continued to be satisfactory though Personal and Fire business was adversely affected by severe weather conditions. While there was a welcome improvement in Holland, results in Europe were again disappointing.

A net dividend of £8.8m. has been paid to the Life Society, and free reserves have been strengthened by £12m. from retained profits. Our financial base remains strong, but in an inflationary era anything less than record profits erodes solvency margins.

Summary of Group Results for 1979

	1979 £m.	1978 £m.
LIFE		
TOTAL PREMIUMS: Annual	260.0	221.8
Single	38.8	40.7
	298.8	262.5
New Annual Premiums	64.8	54.4
Surplus available for distribution (including £41m. transferred from investment reserve in 1979)	112.4	63.0
COST OF BONUSES: Annual	59.6	46.6
Special	38.2	—
GENERAL		
PREMIUMS WRITTEN	198.5	154.4
Underwriting Profit	2.6	1.6
Investment Income	32.5	23.6
Share of Associated Companies profits	3.4	4.1
Expenses not charged to other accounts	(2.2)	(1.2)
PROFIT BEFORE TAXATION	36.3	28.1
Taxation	(15.1)	(12.4)
NET PROFIT	21.2	15.7
Dividends	8.8	6.3
RETAINED PROFITS	12.4	9.4
GROUP ASSETS	3,031.0	2,623.0

Banking

Norwich General Trust had an excellent year, granting 425 loans to commercial and industrial companies and increasing pre-tax profits by 47 per cent. The net dividend paid to the Life Society amounted to £1.5m.

AP Bank, whose international trade finance and foreign exchange facilities continued in good demand, had a satisfactory year and paid a net dividend of £0.8m.

Norwich Winterthur

During 1979 our joint venture with Winterthur Swiss and Chiyoda of Japan continued to develop satisfactorily, with the Fire Society's 45 per cent share of the profits amounting to £2.3m.

Staffing

Against the background of an ever growing number of Life and Fire Society policyholders, our staff in the Home organisation increased by 5 per cent during the year to 8,083, though the expense ratios of both Societies were reduced.

We are in business to take risks, but the extreme uncertainties of today make our business infinitely more difficult. I readily acknowledge the support and enthusiasm of all those who have contributed to our success and who, like me, are determined that it should continue.

The Annual General Meeting of the Norwich Union Life Insurance Society will be held on 13th May 1980 in Norwich.

Copies of the Directors' Report and Group Accounts and the Chairman's full Statement may be obtained from the Norwich Union Insurance Group, PO Box 48 Norwich NR1 5TA.

NORWICH UNION INSURANCE



FINANCIAL NEWS

Stock markets

Oils lead buoyant trading

After a cautious opening, Wednesday, advanced by the oil market, the FTSE 100 rose 11p to 3589, and the FTSE 250 rose 2p to 1199. The oil market was the main driver of the day's activity, with oil prices rising sharply. The FTSE 100 was up 11p to 3589, and the FTSE 250 was up 2p to 1199. The oil market was the main driver of the day's activity, with oil prices rising sharply.

Analysts are disagreeing with the view taken by W. H. Smith of a recovery, this year, in the newspaper and book wholesaling divisions following recent disappointing figures. Continuing production losses by most newspapers throughout the country has meant earlier profit forecasts of £23m downgraded to £18m. The shares were unchanged at 142p yesterday.

Government stocks, after the recent rise in German interest rates. But dealers reported more business after lunch as buyers came in before the weekend, wondering if there would be a new rate rise.

The continuing fall in United States prime rates also generated interest, with the result that long, which were £1 up at noon, finished between £1 and £1 better throughout the day. The market was quiet all day, with a flurry at the end as investors saw how the rest of the market had performed, and they closed £1 and £1 up with variables £1 improved on the day.

Company results also provided some interest in equities and the FT Index closed at 4432, up 28, having climbed steadily during the afternoon. Most of the leading industrial stocks were firm, showing gains of a couple of pence. Unilever was one exception as it climbed 6p to 421p, and BAT Industries, which published its results on

Wednesday, advanced by the same amount to 251p. ICI rose 38p to 200p, and Glaxo to 200p, 2p better while Fisons at 285p, and Beecham at 119p were 1p up. Buyers came in for Dunlop, although turnover was small and it finished 2p better at 60p. Courtaulds, which is due to announce its results and a maintained dividend this month went ahead by 1p to 69p.

Higher profits were good for Hunting Gibson, which went from 91p to 105p while Davies & Newman celebrated better profits and a sharehandout to gain 15p to 131p. Henry Boot responded to a return to profits and an improved dividend by gaining 28p to 145p. But in building, Wimpey dipped 3p to 701p with lower-than-expected earnings, whereas Aberdeen Construction gained by the same profits. A loss and no dividend amount to reach 94p with better cut Martin Black 2p to 15p.

Investment interest pushed Sotby's up 7p to 435p while European Ferries' property deal in Denver added 7p to the price at 130p. Waring & Galloway advanced 1p to 11p following Maple's rejection of its buy-out offer, but the price, which is awaiting a new bid from another group, was better than Waring's company unchanged at 351p; 1p better than Waring's new offer price. S. Pearson's bid saw Fairley's price shed 2p to 206p.

Trade was bubbling on the oil pitch with Laseo responding to a bullish annual report by moving up 18p to 571p, and Ultramar with results due next week made the running by gaining 20p to 672p. Barnard gained 6p to 208p after lagging behind the other stocks for a few days. Rumours over the issue of the seventh round of North Sea licences in September generated national interest and kept prices firm, although dealers believe that prices are probably near their peak. Carless Capel was still benefiting from its Hampshire drill-

Hunting Gibson shares hit peak

By Peter Wainwright
No company has responded so strongly to the upturn in shipping as Hunting Gibson and yesterday's 1979 figure were good enough to send its shares climbing 15p to 106p, new peak for the year and well away from the 1980 low 70p.

The immediate reason was the decision to pay a final dividend of 3p a share, making 4.50p net or 6.43p gross, leaving the previous year's 1.28p the shade.

It is a payment Hunting could well afford. It only absorbed £30,000. Profits attributable to ordinary shareholders were high as £2.28m.

The big about-turn came shipowning and ship management (from losses of £572,000 to profits of £230,000 on a smaller business) and in oil and air-broking where profits soared from £690,000 to £1,200,000. Industrial painting also marked time at £316,000. Finally, up went Hunting's share profits in associates (it 30 per cent of Hunting Petroleum Services) from £849, to £1,19m.

Hunting rid itself of a stone when it sold M.V. T. Bridge last August, but that recovery will presumably more sedate from now on. Hunting describes the latest price as "somewhere near acceptable". In 1974 pre-tax profit was as high as £3.5m.

Second-half boost for Newarthill

By Peter Wilson-Smith
Civil engineering and heavy group, Newarthill, on the ground lost in the half due to bad weather finish the year to October with profits up by 8 pence to £10m. Second-half profits were over a quarter higher after a 5 per cent drop at interim stage.

Newarthill, which owns Sir Robert MacAlpine construction companies and is controlled by the MacAlpine family, is paying a dividend of 8.57p, compared with 7.61p in 1978. The dividend has been reduced despite a fall in attributable profits due to a higher charge. Tax took £5.63m against £4.55m in the preceding year.

As a result, earnings were 8 per cent lower 25.3p. However, the net dividend was still covered 1.4 times.

Group turnover in 1979 was 11 per cent higher at £1,215m. Newarthill's yield 3.4 per cent and the ratio on stated earnings is

Latest results

Company	£m	1979	1978	Div	Pay	Year's
Lot or Fin	0.11*(0.04*)	2.61(0.46)	10.0(—)	—	—	13.0(2.5)
Bellair Cosmetics (F)	2.3(3.7)	49.1(33.1)	3.3(—)	7/7	4.5(3.9)	—
H. Boot (F)	1.0(0.89)	—	6.92(5.43)	31/7	10.0(8.15)	—
Red Brw (Whm) (F)	3.3(2.0)	76.9(25.9)	4.6(3.1)	4/7	4.6(3.1)	—
Davies & Newman (F)	3.6(2.8)	4.6(3.1)	2.87(2.33)	—	—	—
Guarant Invest (F)	0.14(0.16)	—	3.0(1.25)	7/7	4.5(1.28)	—
Highcross Invest (F)	1.81(0.42)	30.73(11.29)	—	—	—	—
Hunting Gibson (F)	0.06*(0.002)	—	—	—	—	—
Land Lutren Trust (I)	0.73(—)	0.06(—)	—	—	—	—
Lentim Grp (F)	0.44*(0.17)	0.52(0.2)	—	—	—	—
Martin Black (F)	5.73(5.52)	25.0(27.9)	6.0(5.32)	21/6	6.0(5.32)	—
J. Mowlem (F)	10.0(9.26)	25.3(27.4)	0.44(—)	—	—	—
Newarthill (F)	0.33(0.65)	—	1.07(1.07)	19/6	1.82(1.82)	—
Platignum (F)	0.06(0.29)	—	0.62(—)	—	—	—
Shiloh Spinners	0.20(0.13)	—	0.62(—)	—	—	—
Senna Rubber (F)	0.65(0.37)	18.1(5.4)	7.0(5.0)	2/7	1.12(1.12)	—
W. Williams (F)	6.67(5.54)	—	1.5(—)	7/7	1.85(1.68)	—
Wexors Invest	47.3(57.2)	16.0(17.8)	1.5(—)	4/7	2.25(2.19)	—
Wire & Plastic Prod (F)	0.53(0.65)	4.0(3.6)	2.2(2.2)	2/7	3.75(—)	—
G. Wilphey (F)	—	—	—	—	—	—
Und Wire (I)	—	—	—	—	—	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply net dividend by 1.428. Profits are shown pre-tax and earnings are net. * = loss. † = estimate. ‡ = includes special of 1.5 paid in 1979.

M&G REINSURANCE

"The Company enters the 1980's in sound financial condition"

Mr. D. M. C. Donald, Chairman

In his annual statement published with the accounts for the year ended 31st December 1979, Mr. D. M. C. Donald, Chairman, refers to the surplus capacity in international reinsurance markets. Although 1979 had its share of substantial losses, the absence of major disasters coupled with continuing inflation and high interest rates combined to encourage some companies to write for premium income rather than underwriting profit, thus depressing premium rates and making it more difficult for reinsurers to accumulate the reserves necessary to provide the complete security which insurers need and expect.

At home the abolition of exchange control restrictions was welcome but the relief remains incomplete whilst the governments of the countries with which we trade continue to restrict the free flow of funds across national frontiers, so essential to the efficiency of an international reinsurance service.

Whilst the energy crisis, which was of such concern a year ago, has eased, the very significant increases in the price of oil have affected national economies throughout the world and accelerated recession. Particularly worrying has been the continuing weakness of the U.S. economy. This, and the further strengthening of Sterling against most foreign currencies, has had the effect of obscuring the real growth of our business, of which approximately two-thirds emanates from overseas.

Turning to the Group results General Branch premium income net of retrocession for 1979 amounted to £135 million, showing a decrease of 3% reflecting the strength of Sterling in relation to our overseas production. Life and Annuity and Continuous Disability premium income of the Group, net of retrocession, increased by 13%. The non-Life underwriting transfers showed a deteriorating trend which was offset by a substantial increase in investment income.

The Group accounts demonstrate the further strengthening of our financial position which will enable us to take advantage of new opportunities as and when they occur. The contribution from our Subsidiaries of £1.8 million after tax represents an encouraging increase of 27% over the previous year. £5.4 million has been transferred to general reserve and the Group profits carried forward amount to £9.4 million.

New Life sums reassured of just over £3,000 million were written by the Group, producing new annual premium income of £14.4 million, representing increases of 18% and 12% respectively over the 1978 figures. The United Kingdom continues to be the largest single Life market for the Group, accounting for nearly half the total production. Elsewhere, encouraging growth has been shown in Canada and South Africa but production in Australia has been static, reflecting the state of the Life Assurance industry there. In the U.S.A. our expansion in the Life field continues with production nearly double that for the previous year.

The Chairman then refers to the Group's Investment Portfolio where in the U.K. investment in fixed interest stocks has been increased and, as a result, investment income improved by some 33%. It would seem that high interest rates will be with us for some time but we are looking for substantial appreciation in the fixed interest portfolio in the coming year as the economy slows down and interest rates decline.

The Chairman concludes: "The Company enters the 1980's in sound financial condition from which position we face with confidence the difficult years which we are sure lie ahead." Against this background a final dividend of £1.1 million is recommended bringing the total for the year to £2.2 million, an increase of 33%.

The Mercantile and General Reinsurance Company Limited
Head Office Moorfields House, Moorfields, London EC2Y 9AL



BY THE FINANCIAL EDITOR

Controlling silver after Bunker Hunt

Only a few weeks after recovering from the hammer blow of the Hunt brothers' indebtedness, the silver market has received another setback. Yesterday's slide in prices reflected dismay not just at remarks by Mr Paul Volcker, chairman of the Federal Reserve, and by Mr James Stone, chairman of the Commodity Futures Trading Commission, but also at the prospect of the Hunt camp unleashing yet more silver.

That should be enough to keep prices depressed and trading at a low ebb for some while. Both Mr Volcker and Mr Stone strongly urged that the United States futures market should be even more tightly regulated than they are at the moment. And already the CFTC has taken the first steps in disciplining foreign operators by banning a Swiss Bank, which had refused to disclose information about its silver dealings, from trading in the United States commodities markets.

Some brokers argue that a demoralized market could well be destroyed by too stiff rules on margins, position sizes, and bank financing. While this is probably an exaggeration, the evidence from recent trading in silver suggests that smaller investors have been scared away.

Tougher financial requirements are unlikely to bring them back, at least not until the outlook is much more enticing. But changes either in the law or in the enforcement of existing powers held by the United States authorities will take time to produce results. Equally, they have no direct bearing on the London market, which under the watchful eyes of the Bank of England and its own policing mechanism seems to be better behaved.

What is depressing investors and the market at present is the threat of unspecified but considerable amounts of silver being sold, as the Hunts are liquidating debts still put at as much as \$1,000m.

The present arrangements are that a consortium of American banks has lent a Hunt company, Placid Oil, about \$1,000m with which the brothers can restructure their debts. But it is unclear whether this means that physical silver will be released, and if so, how much. An additional worry is that the very high interest rates being charged on the loans to the Hunts could prove unsustainable, thus precipitating another crisis.

The irony is that those banks which, not without arm twisting by the United States authorities, are putting up the funds for the Hunts, could find themselves in the same dilemma as their clients did six weeks ago: trying to sell silver into a weakening market which their sales are exacerbating. Faced with such uncertainty, even big investors are staying out of the market.

But there is a silver lining. Yesterday's London Metal Exchange closing cash price for silver showed a fall of 54p an ounce to 546.5p. The trend was echoed in New York, where futures prices fell by their permitted maximums. Although these levels are 54 or 55 an ounce above those of a year ago, they are lower than big industrial buyers had anticipated.

Such buying as the market is seeing is therefore from industrial users of silver. Further weakness could tempt back a few large speculators prepared to take a long view. But until the news from the United States is clearer, silver is likely to stay depressed and quiet.

Commodity ructions are nothing new but at the end of the day they undermine confidence. The United States market can take the silver upset in their stride but they could do well to remember the way the Paris markets were destroyed following the white sugar scandal a few years ago.

George Wimpey Looking through a disappointing year

Despite a strong recovery in operating profits after the weather-hit first-half George Wimpey has finished the year with a pretax profits fall of almost £10m at £47.3m.

The market, expecting around £50m did not take that kindly, but it was more disappointed by the dividend news. Although payments, including a retrospective special distribution for 1978 have effectively increased five-fold since the reconstruction, Wimpey's 3.2p gross—more than seven times covered on state earnings.

On the profits front, disappointment was due partly to the interest rate squeeze—

interest costs more than doubled to £12.6m—and Wimpey's caution in not including profits on contract and housing work which it feels is not sufficiently advanced due to bad weather delays.

Given the current outlook in both housing and contracting Wimpey will presumably be grateful for this delayed flow in the current year. At the moment much depends on the interest rate picture and the effect this will have on the all-important mortgage scene. Wimpey plans to maintain building at the 11,000 homes mark and hopes the mortgage outlook improves—although at the bottom end of the market the group is finding the going easier than most.

Even so the outlook for the current year is unexciting with best hopes for a recovery to £52m. Longer-term of course, Wimpey is an interesting prospect. Without the aid of revelations the property portfolio in this year's accounts will be significantly above last year's £39m and rental income should be sharply higher than the 1978 total of £2.9m.

Last year's rise in interest costs was largely as a result of the group's heavy investment in land for housing, commercial and industrial property all of it with one eye on the stock interest provisions. Significantly tax and interest costs together rose only £1.2m to £19.2m.

Wimpey's shares, down another 3p to 70½p, now yield 4.6 per cent and sell on 4.4 times earnings rising to just under eight fully-raked, which adequately reflects the market's fears about short-term prospects.

But it may not be many months before the locked-up potential on the property side is more fully recognized and the shares could then start to recover lost ground.

There has been an increasing amount of talk recently of MLR being lowered in the near future. The market has latched on to the prospect of a fall in dollar interest rates, the easing of the longer period rates in the United Kingdom money markets and suggestions that ministers may be responding to pressure from industry for a quick cut in interest rates.

There has even been talk that next week's April banking figures may be good enough to justify an early cut in MLR. We shall see. Those who try and predict that rates will or will not fall on any particular day generally finish up with their heads lopped off, but unless political pressures for a cut in MLR are considerably greater than seems apparent, then a cut in the rate before June or July would seem premature.

For a start the bank lending figures and other economic indicators need to be totally convincing. Secondly, there is still a vast amount of money market "help" to be unwound. Thirdly it would be surprising if those responsible for government funding would welcome an early cut in MLR. Far better to get two bites at the cherry, selling a first tranche of gilts on the back of market expectations, followed by a second tranche on the back of the reality of falling rates.

Fairley Pearson's prize

Hambros's initiative in making an unsolicited bid for Fairley and thus forcing some action out of the NEB on the sale of the company, has ended with a bitter defeat for the bank. Pearson's £24m offer has won the day. It was high enough to knock out other potential bidders and the only other actual one, Hambros, which was talking about a package worth £23m yesterday morning. The NEB though, wanted bids on the table, and Hambros's fifth bid offer of £20.5m was clearly outclassed by Pearson's.

So the taxpayer's biggest, has been satisfied. Whether the company's best interests (the other condition which the NEB had to satisfy itself about) have been achieved will continue to be a matter of debate.

Certainly Hambros and the management of Fairley believed at the outset that the company should remain independent and that the Hambros offer of an institutionally-based bid with a view to returning Fairley to the market in a couple of years was attractive. Perhaps, though, the NEB thought that further period of uncertainty for the company and its employees was not in its best interests. Anyway, Pearson has added a substantial new engineering arm and paid around 3 times forecast earnings for it.

Despite fears about falling advertising revenues, and about the impact on profitability of subscriptions to the fourth television channel (which is due to start broadcasting in 1982), there is unlikely to be any shortage of candidates for new independent Broadcasting Authority (IBA) closes its lists to potential applicants on May 9.

In addition to the 14 companies operating as television contractors which can be expected to fight tooth and nail to keep their businesses, at least another 20 consider it a possibility to have applied to run the 17 television areas and the projected breakfast channel. Most of them are going to be disappointed.

For just as, in reshaping the television areas earlier this year, the IBA made very few changes—apart from the introduction of two more dual regions (Midlands and South-east)—and promised to "conserve" a broadcast programme—so there are now fears that they will also play for safety when it comes to allocating the contracts and, for the established companies, to the established shareholders.

The established companies, however, have all proved that they can run a network—even though their manner of running it, by definition, money and enthusiasm to offer—but in most cases, relatively little in the way of experience.

It is not even as though there are companies around which lost their contracts in the last round of licence negotiations in 1968 and having learnt humility in the meantime are trying to get back into this market. Only one—Television Wales and West—was pushed out of the business altogether; and that ended up as a cash rich shell company rather than a television contractor's manager.

However, if the arguments for experience prevail this time they can be expected to prevail to eternity; and under these circumstances, the best hope of the 10-weeks' technician's strike which blacked out television screens last autumn, and which, it is estimated, cost the contractors £50m.

All the same, with advertising that had been held over during the strike packing the schedules in its aftermath, and rates bumped up thereafter by as

INDEPENDENT TELEVISION CONTRACTORS: PROFITABILITY

Company	Latest year-end	Pre-tax profits	Return on shareholders' funds	Profit decline	Other activities
Anglia TV	31/3/1979	2,840	+2.2	-48.5	House construction
ATV	31/3/1979	6,286	+18.3	-45.4	Films, records, property
Grampian TV	28/2/1979	408	+8.1	15.2	Loss £28,500
Granada TV	30/9/1979	6,353	-20.8	-31.2	Book and music publishing, cinema motorway services, TV rental
HTV Group	31/7/1979	4,489	+31.9	37.8	Fine art dealers
London Weekend	25/7/1979	6,843	+16.9	29.8	Book publishers, tour operators
Scotish TV	31/12/1978	1,718	-15	+24.5	Independent radio
Thames TV	28/7/1979	9,217	-18.5	24.6	Leisure parks
Trident TV	30/9/1979	7,282	-19.5	22.9	
Ulster TV	31/7/1979	583	-12.8	+22.4	
Television contracting interest only	1978 figures				
and Tyne Tees	** Antennae figures				

much as 30 per cent in the case of Thames), it has since become obvious that the £20m which the companies thought they might be able to claw-back after the strike was an under-estimate.

But there are two problems facing the contractors which will almost certainly mean reduced profitability over the next three years. In the first place, a decline in consumer spending is likely to mean reduced advertising revenue; in the second, they are expected to fund the initial costs of the second television channel.

The effects of a decline in advertising spending, emerged very plainly during the 1974-75 recession, when most of the independent television contractors suffered a sharp setback in profits. However, one of the reasons for the profitability of which has always been relatively precarious—actually went into the red, and all of them recovered with remarkable speed.

Profits for 1975-76 were in almost all cases higher than they had been two years earlier. So although profits may do little more than mark time this year and will probably dip in 1981-82, there is at any rate a strong probability that they will recover thereafter.

As to the subscription to the fourth channel, which begins broadcasting in 1982, the £60m-odd estimated cost of

the first year's operations is to be split between the contractors, roughly in proportion to their revenues—which means that the London weekday channel will be paying the most, with the North-west and the Midlands not far behind. This will be a direct charge on revenue; but it can be offset against the television levy, which will be reduced in consequence.

So although the Government's take will certainly decline, the return to shareholders will be less affected, if at all. It is for these reasons that two sets of stockbrokers—Vickers de Costa, and Keith Sykes of W. Green—have recently come up with the opinion that while the short-term outlook for the television contractors may be none too brilliant, in the long run they are distinctly attractive.

The exceedingly handsome profits which television contractors make, when times are good (and the respectable returns that they make, even when things are less buoyant), can be traced to one cause, and one cause only: the fact that they have monopoly access to television advertising, which the second independent channel is going to do nothing to disturb (though a breakfast channel might).

The monopoly induces inter-

mittent rage in the advertisers (as when the contractors put up their rates in the aftermath of the strike, even though they had not regained control of the ratings). It also induces interest in the Government. So Mr White's

Whitehead, the Home Secretary, announced recently that both he and Sir Geoffrey Howe, the Chancellor of the Exchequer, were "firmly of the view that the public should share in the profitability of the exploitation of a public monopoly"—though should be encouraged to be cost-conscious, and expressed anxiety about the high marginal rate of tax which the present system of levy together with corporation tax produced.

The public's share is at present taken in three forms. First there is the rental charge, which is nominally for the use of the transmitters, but in fact is determined not by use of the air waves but by the profitability of the companies; the rental charges have recently been substantially increased.

In the second place there is the television levy, which is directly determined by profitability; and finally there is the corporation tax charge.

According to the Independent Broadcasting Authority, five sixths of the profits which the television contractors receive go to the Government in the shape of levy and tax. If that still leaves their shareholders with a handsome return on the capital they have put into the business, it can be argued that this is no more than a just return for investment in what is essentially a rapidly wasting asset—the franchise.

If, however, the franchise is to be granted—overly or defunct—in perpetuity to its present operator, there is going to be a strong case for an increase in the levy. For shareholders, the result would be greater certainty but lower profits. For audiences the result would be worse television.

A decision in favour of the existing contractors might be safe in the short-term. In the longer run it would not be likely to satisfy anyone.

Technology

When international tension means high profits

A company with the nonchalance of a British manufacturer and Research exported almost exactly 90 per cent of its output in 1978-79. A company with the incomprehensible name of Esams exported almost exactly 84 per cent. A company which exports the ambiguous name of International Aeradio, or IAL, exported 83.4 per cent.

On export performance these are the stars in an Inter-Company Comparisons (ICC) analysis published today of the defence equipment industry. In the world is in bad shape. It is doing well now.

British Manufacture & Research makes ammunition and armaments and is owned by Oerlikon of Switzerland. Esams (originally Elliott Automation Space and Advanced Military Systems) and now a part of GEC does not make anything but offers operational research, systems design and project management services. International Aeradio, owned by British Airways, supplies both hardware and consultancy services in communications and aviation.

The export performance of these three is remarkable by a number of companies. The ICC companies are covered in the ICC analysis is pretty good, also to wit, 38 per cent. Among the other companies in the business are many of the better known electronics names, for whom the most advanced technology often appears first in military systems and later finds its way into civil markets.

For the capital electronics industry as a whole (civil as well as military) the Ministry of Defence is the largest single customer. Defence requires much of the development and much of the impetus for advanced technology in this sector.

The Electronic Engineering Association confirms in its annual report for 1979.

A good example of this is the £200m contract for final development and initial production of the Sting Ray anti-submarine torpedo, placed towards the end of last year with Marconi's defence division (MSDS). "Torpedo" is not really the best word to describe Sting Ray; it is a "smart" missile which can be very persistent indeed in pursuing its target.

In this project the defence research benefit is spread over a number of companies. MSDS for the guidance computer, Marconi Avionics for other parts of the guidance system, Sperry Gyroscopic for the steering, Chloride for a highly potent electric battery, Lucas Aerospace for propulsion electric motors and Plessey for large-scale integration (LSI) computer memories.

Experience gained in writing the software for the Sting Ray control system is expected to help GEC (Marconi's parent organisation) in applying computerised control to industrial processes. Plessey, too, envisages a commercial spin-off from the low-power-consumption memory microcircuits being developed for the missile.

For the civil electronics industry, there is much sharing of technology between civil systems for air traffic control and military systems for warning of enemy attack. The apparent link between the two is the coming radar contract with a foreign company. In preference to a joint bid by GEC-Marconi and Plessey, is jeopardizing the British computer prospects in competitions for substantial

Nato radar orders, the two firms are arguing.

This point was echoed last night on the general point of principle involved, by Mr John Sutherland, president of the Electronic Engineering Association. In the industry, he told the contractors' annual dinner in London, contributed about £130m to Britain's balance of trade from sales of over £1,400m.

Returning to the ICC report on the defence equipment industry, Esams and EMI Electronics lead the list in terms of return on capital, each showing over 100 per cent for profit/capital employed. In profitability related to total assets, also, EMI Electronics has second, this time to Plessey-Wessex (grouped). The profitability of each of these two companies is over 30 per cent, against an average for the industry of 12.8 per cent.

Racal Electronics, not unexpectedly, shows up well with a profit margin on sales of about 27 per cent (industry average, about ten per cent). Sales and profits per employee are also good indicators with Racal (£37,370 and £10,129) and IAL (£56,820 and £9,588) in the top two places. The industry average is £18,308 sales and £1,877 profit per employee.

Capital employed per employee also is highest for these two, with IAL at £22,651 and Racal at £23,612. The industry average here is £8,876.

The key to profitability seems to lie in the overseas market. In the ICC report notes, both large champions such as Marconi and Racal (which together account for 37 per cent of total sales and 69 per cent of total pretax profits) and for small companies such as W. Vinten

(which makes reconnaissance camera, film, and television equipment).

The third largest defence contractor on the list after Marconi and Racal is Ferranti, another high technology company with interests in navigation systems, radar, lasers and various military instruments.

EMI Electronics' performance, noted above, contrasts sharply with the "civil" heavy scanner activities of loss-making EMI Medical which, the parent Thoma EMI announced earlier this week, are to be disposed of to General Electric (USA). The recent turmoil in the world is good news for defence contractors; the ICC report comments. "This must not be taken too far, as the recent experience in Iran highlights. Following the downfall of the Shah, Britain was left with tanks which were ordered when he was in power, not to mention Rapier anti-aircraft missiles."

These dangers always exist in countries where the political situation is suspect as they must be accepted by the defence contractors. Defence spending

is probably uppermost in most western governments' minds and can be expected to increase in the near future in order to redress the balance of power.

But Mr J. Sutherland, of the EEA, sounds a warning for the future on behalf of his association's members. In the association's annual report just published he says: "Although 1979 was a good year for the capital electronics industry, we enter 1980 anticipating a general deterioration in trading prospects following a general decline in the world economic climate, exacerbated by the high level of the pound relative to other world currencies."

Industrial problems during the year and inflation have further combined to damage future profitability and competitiveness. It will be virtually impossible to sustain the excellent export record this industry has established in the last decade or two."

Kenneth Owen

Defence equipment manufacturers is published by ICC Business Ranges, London. Price 65s.

UNION MINIERE

Registered Office: rue de la Chancellerie, 1, Brussels
Brussels Register of Commerce no 13.377

NOTICE TO SHAREHOLDERS

Shareholders are invited to attend the annual General Meeting which will be held on Thursday 29th May 1980, at 10.30 a.m. in the Office of the "Société Générale de Belgique", 30 rue Royale, Brussels.

AGENDA

1. Reports by the Board of Directors, the Auditing Commission and the legal Auditor for the financial year 1979.
2. Approval of the annual accounts closed as of December 31, 1979; distribution of the profit.
3. Discharge to be granted to the Directors and Auditors.
4. Statutory appointments.

In order to be admitted to this Meeting owners of bearer shares must deposit their shares not later than Friday 16th May, 1980, with anyone of the following banks:

- In Belgium: with "Société Générale de Banque", in Brussels or any of its other offices and agencies.
- In France: with "Banque Belge (France)", 13, rue Volney, 75002 - Paris.
- In the Netherlands: with "Amsterdam-Rotterdam Bank", Herengracht 556, 1001 Amsterdam.

Owners of bearer shares will be admitted to the Meeting on producing a statement from one of the above banks mentioning the identity of the owner of the shares and certifying that the shares will remain deposited from 16th to 22nd May, 1980 included.

Owners of registered shares must advise the Company not later than Friday 16th May, 1980, of their intention to attend the Meeting or to be represented.

Resolutions conferred according to article 30 of the Articles of Association, must be deposited not later than Friday 16th May, 1980, at the Company's Registered Office, rue de la Chancellerie 1, Brussels. Proxy forms are available to shareholders at the Company's Registered Office and also at the above-mentioned banks.

The Board of Directors

Business Diary: Beware the platitudes du jour

Peter Prior and Gerry Hawkes lunched together in London yesterday in more convivial circumstances than might be expected.

Prior is the chairman of Bulmers Cider and Hawkes the managing director of contract caterers Gardner Merchant. Gardner Merchant is part of the THF hotels group, whose bars are noticeably reluctant to sell Bulmers ciders, preferring the Coates Gamvins Whiteways products of their sometimes shareholder, Allied Breweries.

Nonetheless, here was Prior and there was Hawkes—and the Bulmers chairman having agreed to help Hawkes judge Gardner Merchant's annual award for a paper on catering. The winning paper this year came from Gerry Shipley, principal administrative assistant to the Port of Bristol Authority, a Gardner Merchant client, who wrote on "The advantages of single status feeding."

I did not know what this was—and nor to begin with did Prior—and neither of us thought we liked the sound of it. "Rather like battery hens," Prior said.

It turned out to be the idea that management and workers should all eat the same things in the same place at work. The most obvious advantage of single status feeding, Shipley's paper says, is one of cost and efficiency. A big disadvantage is that in an automatic



Gerry Hawkes, Gerry Shipley and Peter Prior in London yesterday.

organization management and other ranks will so dislike each other anyway that eating together will only make for more friction.

The idea was obviously music to the ears of Hawkes, whose organization provides catering facilities, single status or otherwise, for organizations as diverse as the demob, or the Royal Air Force.

Hawkes suggested that single status feeding worked only where middle managers felt secure and were well-paid and therefore not jealous of perks such as exclusive lunchrooms.

The democratic dining room, he said, was no good if it was a "token gesture" by management: it had to be a reflection of the company's management style.

I took up this point with Hawkes Shipley, and Prior, to find that of the three only Prior could point to single status feeding being in practice at his company.

Prior said there was a special dining room at Bulmers' Hereford headquarters, where visitors were entertained, but otherwise managers and managers alike used the same self-service or waitressed canteen.

According to Hawkes, Gardner Merchant has even furthered the single status idea. "Nine per cent of our office staff have 'luncheon vouchers', he said. "There are vending machines open to everybody."

The reason was logistical rather than philosophical, he explained. The half dozen offices had between 15 and 20 staff each so canteens were not feasible—most employees worked on clients' premises anyway.

Nonetheless, there is a dining room at the Croydon headquarters for entertaining. Prior's ignorance of single status feeding did not detract from being a judge: his credentials as its chairman since 1978 Committee of Inquiry into motorway service areas—of which THF is the largest operator in this country. Prior is at all 39 sites and manifestly survived.

In vain did I look for Clement Freud over the Scots salmon and all the other things I had been savouring the possibility of snubbing him for being so rude at the Japanese Embassy the other day when he declined to say hello, when introduced by a mutual acquaintance.

Evidently he reserves his bonhomie for the radio programme, *Just a Minute*. But I did hear an elementary

anecdote concerning Lord Goodman, the capacious master of University College, dubbed "Two-Dinners" by Private Eye. Hawkes told me that he invited the master to lunch when successfully tendering for the college's custom. "Hardly ate or drank a thing," Hawkes said.

Central bankers are renowned for their secretiveness and common desire to pull the wool over the eyes of those trying to find out what they are up to. But yesterday's announcement from the Governor of the West German central bank sets new records. Karl Otto Poehl told journalists that press conferences would no longer be held automatically when the bank had important announcements to make about its credit policy.

This had led to embarrassing pressure in the past when it was not unreasonably assumed that if a press conference was called, some interesting change in policy was likely to be announced. From now on, "some credit policy decision will not be announced by press conference, while conversely, press conferences will sometimes be convened when no decisions are to be announced."

Ross Davies

هكذا من الأصل

FINANCIAL NEWS

Henry Boot resumes dividend payments

By Catherine Gunn

After three years of declining profitability culminating in a 1977 loss last year, construction and engineering group Henry Boot, made pre-tax profits of £2.23m in 1979. After pre-tax profits were a mere £12,000 against an £85,000 loss in 1978, making 1979's second-half performance a record. Full-year sales rose from £78m to £82m.

It now looks as though full-year profits in 1980 will at least exceed the £2.23m record established back in 1975.

The final dividend has been restored at 14.3p gross, against nothing last year, and 9.5p gross in 1977, on the equivalent rate.

With the shares at 145p, that gives a gross yield for the full 1979 year of 12.8 per cent. The shares' net asset backing now is estimated by brokers Messel at 340p minimum, adding in 95p of a now somewhat out-of-date estimated property surplus.

The profit recovery in 1979 came from a return to profits in the construction and civil engineering division after a £4.7m loss in 1978.

Substantial and sufficient (but undisclosed) provisions were made in 1978 against the divisions' loss-making local authority housing contracts. Some are still to be completed, but should not produce further losses. There may even be some clawback from the 1978 provisions.

Agricultural machinery — safety cabs for tractors — made a similar loss to 1978's £365,000. It is still making losses, and has done ever since its acquisition in 1977, when the loss was £79,000.

Most other divisions did well in 1979. The finance division, providing mortgage advances, benefited particularly from higher interest rates. The company eliminated its £288,000 overdraft in 1979 and in the last few months of the year actually had cash of between £11.2m and £12.5m, also earning interest on deposit.

Record year for D & N

By Philip Robinson

Dan-Air, the charter and scheduled airline operator which provides the bulk of profits for Davies & Newman Holdings, starts its first regular flight to Germany in ten days.

Although the service is expanding, Mr. Frederick Newman, the chairman, said yesterday that the most important factor affecting the future is the possible erosion of profit margins from escalating fuel costs.

Mr. Wilfred Jones, the financial director, said he could not put a figure on just how much fuel went up last year, but said: "It was quite dramatic and there has already been an increase this year."

The warning came as Davies & Newman reported record figures for last year up from

£2m to £3.3m on turnover 10 per cent higher at £129m. The results beat market expectations and the shares rose 15p to 131p.

Shareholders get a 22 per cent dividend increase to 14.25p with a 9.8 final. D & N has also announced a one-for-six scrip issue to bring shareholders' funds more in line with working capital.

Selling aircraft reduced the £5m borrowings at the year end last December, keeping interest charges almost static at £748,000. But recent aircraft purchases, increasing the fleet to 43 aircraft, of which five are Comets, will mean that borrowings will top £5m now and for 1980 are likely to be much higher.

A lower tax charge and an exceptional credit of £458,000, which the group had put by

pending two aircraft purchases last year, have lifted post-tax earnings from £1m to £3.5m. Retained profits came to £3m against £724,000 last time.

Mr. Newman said there had been steady growth of the business throughout the year and although general trading had continued to be uncertain, all main activities had improved.

Shipbroking, which accounts for about 10 per cent of profits, "continues to be active", he said.

Mr. Newman says that while the full employment of the Dan Air fleet in the summer should form a sound basis, it is too early to forecast results for this year.

The group is still awaiting an explanation for the crash of a Boeing 727 in the Canary Islands last Friday.

Shiloh Spinners down 77 pc

Despite a rise in turnover from £8.4m to £9.4m for the year to March 29, pre-tax profits for Shiloh Spinners have dropped 77 per cent to £65,000. The fall was caused by increasing costs, high interest rates and the increasing flow of cheap imports.

Shareholders are to collect a maintained dividend of 2.6p gross.

The board says that the results were made during some of the worst trading conditions experienced by the industry.

Prospects for the immediate future are not good, but with the recent reorganization and re-equipment programme, the company is well placed to take immediate advantage of any improvement in trade when it comes.

G. C. Watling and Mr. R. S. Needs.

The two companies being acquired had profits before tax of £1.5m and £1.2m respectively. The combined net assets were £781,000 at that date, but are since estimated to have increased to about £1m of which not less than £500,000 is available in cash.

Management accounts indicate their current profitability is running at about £30,000 a month.

F. J. C. Lilley in U.S. deal

F. J. C. Lilley has acquired 80 per cent of Harrison Western Corp. of Denver, Colorado, a construction company operating principally in the mid-west of the United States.

Harrison's average pre-tax profits for the three years to December 31, 1979, were \$10.5m and its net assets at 1979 amounted to \$3.1m. On that basis, the consideration amounts to \$3.90m

but provision has been made for the adjustment of the purchase price with a maximum of \$4.52m dependent on the receipt by Harrison of certain amounts whose recovery is under negotiation.

United Wire slips in first half

United Wire Group reports turnover for the half year to March 29 at £7.562m against £6.652m, but a slip in pre-tax profits from £649,000 to £534,000. Earnings a share are 4.0p against 3.6p while the interim is held at 2.2p net.

The fall in profits, which has been particularly severe in the wire division, is due largely to the continuing strength of sterling. On the other hand, the South African companies made a good contribution to the results and are expected to do equally well in the second half.

This will help to compensate for the more difficult trading conditions which are expected in the United Kingdom during the second half-year.

Mowlem manages to contain fall in profits

By Peter Wainwright

The United Kingdom construction recession can hardly leave John Mowlem, the building and engineering group unscathed, but it nearly did in the year to December 31. Last turnover actually rose from £163.68m to £190.22m, enough to keep pre-tax profits as high as £5.72m against £5.92m.

Indeed, Mowlem did better than some observers expected, given that turnover in the first six months only edged ahead, while pre-tax profits actually fell from £2.41m to £2.35m.

Bad weather hit United Kingdom civil engineering in the first four months, but associates were said to have gone ahead, pinpointing the growing importance of Middle East work and the computer bureau.

Mowlem has been dismissed as largely a United Kingdom contractor, but of the £190m turnover as much as £45m or so now arises abroad where Mowlem finds margins as good or better than at home.

Mowlem Engineering Products sends as much as 80 per cent of its business overseas, while another important subsidiary, Soil Mechanics, has nearly 70 per cent of its work abroad.

The tax charge of £1.77m (compared with £1.51m) is light and even among civil engineers. Last year, it was 31 per cent of taxable profits and it is understood that it will stay light this year too. It is apparently a question of where profits arise, and are spent.

The upshot is that net profits fell modestly from £4.41m to £3.89m and any fall this year should be small. The group contents itself with expecting profits "similar" to 1979's.

Meanwhile, the balance sheet is understood to remain unaltered with no net borrowings. Shareholders' funds are up to 214p a share. The shares duly rose 2p to 107p.

Cavenham asks for time

From Anthony Hilton

New York, May 1

Cavenham Inc., the American arm of Sir James Goldsmith's empire which may bid for control of Diamond International, an American timber and packaging company, today asked Diamond shareholders to give it time to present its case.

Earlier the Cavenham approach had been rebuffed by the Diamond management. In a letter to shareholders released yesterday its president, Mr. William Kozlo, accused Cavenham of "trying to gain control for the purpose of selling the company's stock at a profit."

The proposed offer to buy the company's stock was "nothing but an attempt to confuse our shareholders," he added.

Cavenham needs time because it has had talks with Diamond's management, but its objections to the Brook-Sloan deal had been ignored. It was therefore forced to consider a bid to block the merger and protect its investment. It asks shareholders to delay approving the deal for three months to consider Cavenham's alternative proposals, though it has not yet revealed what these will be.

In documents filed with the Securities Exchange Commission today, Cavenham details its objections to the merger. This claims it would mean dilution of both assets and earnings for Diamond and alleges that shareholders have not been fully informed about recent declines in which Cavenham and plant closures which could lead to a halving of Brook-Sloan's profits.

International

Diamond shareholders are due to vote on a merger with Brook-Sloan at a meeting on May 12 and if that deal goes through Cavenham's 53 per cent stake in Diamond will be diluted by about a fifth.

Wall Street analysts point out that Cavenham has raised some \$240m from planned asset sales here and has a further \$100m in liquid assets. It could therefore bid an attractive \$50 a share for Diamond and hope to win control. But it probably could not afford to buy control of the enlarged group.

Cavenham's letter reveals that

Hoechst world profits up 56pc for year

Hoechst achieved world group net profits of DM650m (£155m) in 1979, up 56 per cent from DM417m in 1978, and parent company first quarter net profits of DM344m, up 30.3 per cent from a year before.

Hoechst expects sales volume to rise by about 3 per cent in 1980, which would enable the company to achieve a reasonable result, Herr Rolf Sammet, managing board chairman, said.

He told the annual press conference that the company maintained this view despite first

quarter 1980 data which showed a far greater expansion over the year-ago period.

This was because first quarter 1979 was relatively weak and Hoechst prices were lower, he said.

Parent company turnover in the first quarter of 1980 was DM3,040m, a 21 per cent increase on the 1979 period, Herr Sammet said.

However, if that figure is compared with the quarterly average for 1979, the increase is only 13.5 per cent, or in real terms 8.2 per cent, he said.

Audi profits 46pc ahead

Audi NSU Auto Union AG, the Volkswagen group subsidiary, reported after-tax profits up by 46.5 per cent to \$3.5m marks last year from \$7m in 1978.

Turnover rose to \$1.7bn marks from \$1.5bn and vehicle

production was up to 344,000 from 317,150.

A statement issued with the report said Audi had maintained its goods production in the first three months of 1980.

General Dynamics higher

General Dynamics Corp reported net profits for the first quarter of \$36.3m, or \$13.3 a share, against \$29.5m and \$10.8 a share a year earlier.

Sales rose from \$893.6m to \$1,070m.

Mr. D. S. Lewis, the chairman, said the company had delivered 164 F-16 fighter planes from production lines in the United States and Europe to the air forces of the United States, Israel, Denmark, The Netherlands, Norway and Israel.

Quaker Oats up

Quaker Oats reported net profits for the third quarter to March 31 of \$28.3m, or \$1.36 a share, up from \$24.2m and \$1.16 a share a year earlier. Sales rose to \$620.8m from \$502.1m.

Quaker said the increased third quarter earnings reflected favourable performance in US grocery products, Fisher-Pice toys and chemicals, and a \$5.6m pretax gain from foreign exchange.

Wereldhave offshoot

Bellegang Wereldhave has set up West World Holding, a real estate investment trust in the United States to combine its interests there.

At the end of 1979 about 20 per cent of its total investments of \$90m F1 (£203m) were in the United States.

Initially it will issue 6,500 shares at \$10.00 a share with subscriptions also open for third parties, but priority will be given to present Wereldhave shareholders, it said.

Marathon confident

Marathon Oil Co expects 1980 net income to show an improvement from last year "although the percentage gain may not be as large as was achieved in the first quarter." Mr. Harold D. Hoopman, president, told the annual meeting. First quarter profits, announced earlier, rose by 33 per cent.

Loss at Martin-Black

Martin-Black, the Glasgow-based wire ropes manufacturer, has reported a £445,000 loss for the year to last December. This compares with a pre-tax profit of £179,000 made previously.

After tax and adjustments to deferred tax which throws up £476,000 in recoverable tax, net profit turns out at £31,000 against £132,000 previously. The dividend which the year to December 1979 absorbed £182,000, is now being passed. The interim dividend had

been deferred for consideration to the end of the year after the company had announced a loss of £109,000 as against £244,000 profit.

Shareholders had been warned that market conditions for the company's products had been difficult. These conditions continued for the full year.

The first quarter figures for the current year are ahead in terms of sales over the first quarter of 1979, which had been affected by the transport strike.

Business appointments

Mr Bowring joins Marsh

Mr Edgar R. H. Bowring, former chairman of C. T. Bowring & Co, has accepted an invitation to join the board of Marsh & McLennan Companies as a non-executive director.

Mr P. V. Olsen and Mr A. H. M. Kelsey have been admitted to the partnership of Kitcher & Aitken. Mr A. M. Roberts has been appointed to the board of Howard Shuter (Holdings).

Mr J. M. G. Bradbury becomes managing director of Boustead Commodities.

Mr George Palmer is now managing director of the LRC Products division of LRC International.

Mr J. M. Brady has been made chairman and managing director of Bristol-Myers Company. Mr Brady replaces Mr J. G. Kelsberger who is returning to the United States to take up a senior position with the parent company.

Mr Eric Carter, deputy group chief executive (international business) and a director of National Westminster Bank, has been appointed to the board of its wholly-owned subsidiary, National

Bank of North America. Mr Thomas P. Frost, President of National Bank of North America, has assumed the additional duties of chief executive officer. Mr Frost will continue as chairman.

Mr D. S. Ottway becomes managing director of Portals (Bathford).

Mr Peter Davis and Mr David Hyman have joined the board of Harris Queensway Group.

Mr Len Payne, director of distribution, has been elected president of the Freight Transport Association. He succeeds Mr Malcolm Banks, group traffic manager of Littlewoods.

Messrs Philip Max Skelley and Paul Anthony John Woods have become partners in Norton, Rose, Bolder & Roche.

Mr John Milligan is to become the new United Kingdom sales director of Clark International Marketing materials handling group.

Mr John Barber has been made deputy chairman and Mr Anthony Good a director of John E. Williams & Co.

Mr Yves Lamarche, chairman of Veeva Arabie et Internationale d'Investissement, has been appointed to the board of BNL Samuel Group.

Mr Robert A. Norman and Mr George Foster join the London advisory board of The Bank of New South Wales.

CONSUMER SPENDING

The following are the first estimates for consumer expenditure seasonally adjusted at constant 1973 prices, published by the Central Statistical Office yesterday.

	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
	£000 million	£000 million		£000 million		£000 million		£000 million		£000 million
1979 1st qtr	18.4	18.4	1979 1st qtr	18.4	1979 1st qtr	18.4	1979 1st qtr	18.4	1979 1st qtr	18.4
2nd qtr	18.5	18.5	2nd qtr	18.5	2nd qtr	18.5	2nd qtr	18.5	2nd qtr	18.5
3rd qtr	18.6	18.6	3rd qtr	18.6	3rd qtr	18.6	3rd qtr	18.6	3rd qtr	18.6
4th qtr	18.7	18.7	4th qtr	18.7	4th qtr	18.7	4th qtr	18.7	4th qtr	18.7
1979 1st qtr	18.4	18.4	1979 1st qtr	18.4	1979 1st qtr	18.4	1979 1st qtr	18.4	1979 1st qtr	18.4
2nd qtr	18.5	18.5	2nd qtr	18.5	2nd qtr	18.5	2nd qtr	18.5	2nd qtr	18.5
3rd qtr	18.6	18.6	3rd qtr	18.6	3rd qtr	18.6	3rd qtr	18.6	3rd qtr	18.6
4th qtr	18.7	18.7	4th qtr	18.7	4th qtr	18.7	4th qtr	18.7	4th qtr	18.7
1980 1st qtr	18.8	18.8	1980 1st qtr	18.8	1980 1st qtr	18.8	1980 1st qtr	18.8	1980 1st qtr	18.8
2nd qtr	18.9	18.9	2nd qtr	18.9	2nd qtr	18.9	2nd qtr	18.9	2nd qtr	18.9
3rd qtr	19.0	19.0	3rd qtr	19.0	3rd qtr	19.0	3rd qtr	19.0	3rd qtr	19.0
4th qtr	19.1	19.1	4th qtr	19.1	4th qtr	19.1	4th qtr	19.1	4th qtr	19.1

Bank Base Rates

ABN Bank	17%
Barclays Bank	17%
BCCI Bank	17%
Consolidated Crdts	17%
Cloyds Bank	17%
London Mercantile	17%
Midland Bank	17%
Nat Westminster	17%
RBS	17%
TSB	17%
Williams and Glyn's	17%

* 12% deposit on terms of £10,000 and under 15% up to £25,000 15% up to £50,000 15% up to £100,000 15% up to £250,000 15% up to £500,000 15% up to £1,000,000 15% up to £2,500,000 15% up to £5,000,000 15% up to £10,000,000 15% up to £25,000,000 15% up to £50,000,000 15% up to £100,000,000 15% up to £250,000,000 15% up to £500,000,000 15% up to £1,000,000,000 15% up to £2,500,000,000 15% up to £5,000,000,000 15% up to £10,000,000,000 15% up to £25,000,000,000 15% up to £50,000,000,000 15% up to £100,000,000,000 15% up to £250,000,000,000 15% up to £500,000,000,000 15% up to £1,000,000,000,000 15% up to £2,500,000,000,000 15% up to £5,000,000,000,000 15% up to £10,000,000,000,000 15% up to £25,000,000,000,000 15% up to £50,000,000,000,000 15% up to £100,000,000,000,000 15% up to £250,000,000,000,000 15% up to £500,000,000,000,000 15% up to £1,000,000,000,000,000 15% up to £2,500,000,000,000,000 15% up to £5,000,000,000,000,000 15% up to £10,000,000,000,000,000 15% up to £25,000,000,000,000,000 15% up to £50,000,000,000,000,000 15% up to £100,000,000,000,000,000 15% up to £250,000,000,000,000,000 15% up to £500,000,000,000,000,000 15% up to £1,000,000,000,000,000,000 15% up to £2,500,000,000,000,000,000 15% up to £5,000,000,000,000,000,000 15% up to £10,000,000,000,000,000,000 15% up to £25,000,000,000,000,000,000 15% up to £50,000,000,000,000,000,000 15% up to £100,000,000,000,000,000,000 15% up to £250,000,000,000,000,000,000 15% up to £500,000,000,000,000,000,000 15% up to £1,000,000,000,000,000,000,000 15% up to £2,500,000,000,000,000,000,000 15% up to £5,000,000,000,000,000,000,000 15% up to £10,000,000,000,000,000,000,000 15% up to £25,000,000,000,000,000,000,000 15% up to £50,000,000,000,000,000,000,000 15% up to £100,000,000,000,000,000,000,000 15% up to £250,000,000,000,000,000,000,000 15% up to £500,000,000,000,000,000,000,000 15% up to £1,000,000,000,000,000,000,000,000 15% up to £2,500,000,000,000,000,000,000,000 15% up to £5,000,000,000,000,000,000,000,000 15% up to £10,000,000,000,000,000,000,000,000 15% up to £25,000,000,000,000,000,000,000,000 15% up to £50,000,000,000,000,000,000,000,000 15% up to £100,000,000,000,000,000,000,000,000 15% up to £250,000,000,000,000,000,000,000,000 15% up to £500,000,000,000,000,000,000,000,000 15% up to £1,000,000,000,000,000,000,000,000,000 15% up to £2,500,000,000,000,000,000,000,000,000 15% up to £5,000,000,000,000,000,000,000,000,000 15% up to £10,000,000,000,000,000,000,000,000,000 15% up to £25,000,000,000,000,000,000,000,000,000 15% up to £50,000,000,000,000,000,000,000,000,000 15% up to £100,000,000,000,000,000,000,000,000,000 15% up to £250,000,000,000,000,000,000,000,000,000 15% up to £500,000,000,000,000,000,000,000,000,000 15% up to £1,000,000,000,000,000,000,000,000,000,000 15% up to £2,500,000,000,000,000,000,000,000,000,000 15% up to £5,000,000,000,000,000,000,000,000,000,000 15% up to £10,000,000,000,000,000,000,000,000,000,000 15% up to £25,000,000,000,000,000,000,000,000,000,000 15% up to £50,000,000,000,000,000,000,000,000,000,000 15% up to £100,000,000,000,000,000,000,000,000,000,000 15% up to £250,000,000,000,000,000,000,000,000,000,000 15% up to £500,000,000,000,000,000,000,000,000,000,000 15% up to £1,000,000,000,000,000,000,000,000,000,000,000 15% up to £2,500,000,000,000,000,000,000,000,000,000,000 15% up to £5,000,000,000,000,000,000,000,000,000,000,000 15% up to £10,000,000,000,000,000,000,000,000,000,000,000

ACCOUNT DAYS: Dealings Began, April 28. Dealings End, May 9. \$ Comango Day, May 12. Settlement Day, May 19
\$ Forward bargains are permitted on two previous days

هكذا أمر الأصيل

HOME NEWS

Fleet Street action
halts publication
of Sunday newspaper

By Donald Macintyre

The *Sunday Mirror* failed to appear yesterday because of industrial action by members of the National Graphical Association in support of 45,000 colleagues employed in provincial newspapers and general printing who are in dispute over their pay claims. Similar action prevented publication of *The Times* on Saturday.

Informal moves during the weekend by the Association and Arbitration Service, produced no sign of renewed negotiations at least until after the union's national council meets tomorrow.

The union said yesterday that its members remained determined to press their claim for an £80-a-week minimum wage and a 37½-hour week within the next 12 months. The dispute has stopped the publication of most provincial daily newspapers.

The British Printing Industries Federation, which represents general printing employers, said that it expected more members "including some large and medium sized firms" to lock out union employees from tomorrow in accordance with the federation's instructions. The union estimated towards the end of last week that only about 10 per cent of its federation members had been suspended without pay.

A separate dispute involving London area wholesale members of the Society of Graphical and Allied Trades in support of last night to stop distribution of national newspapers in the central zone.

The 3,000 members of the union were expected to withdraw their labour in support of long-standing claims for Bank

holiday payments similar to those paid by their colleagues employed by the national newspapers.

Mr William Keys, the union's general secretary, said yesterday that the holiday payments made by the newspapers were basically double time and time off in lieu.

The Society of Lithographic Artists, Designers and Engravers has joined the National Union of Journalists in industrial action, not to co-operate with management that are producing provincial newspapers without National Graphical Association labour. It has told its members not to cross picket lines at provincial newspaper offices and that members acting in accordance with that requirement would be entitled to dispute benefit up to a maximum of £75 a week.

Mr Keys, whose provincial newspaper and general printing membership overwhelmingly accepted in a ballot the employers' offer of a £75 minimum and a 37½-hour week in 1982, said yesterday that he had instructed negotiators to seek an extra £5 a week from those companies which had settled on the National Graphical Association's terms.

Mr Keys said the National Graphical Association would fight "to the last drop of its money" in its dispute with provincial newspapers and the printing industry, the national conference of the Wales TUC executive told at Llandudno yesterday.

'Sunday Times' losses: About 273,000 copies of the Sunday Times production of 1,520,000 copies were lost yesterday.

The management said that a contributory factor was continuing demarcation issue

Union defends £5,000
to 'Morning Star'

By Our Labour Staff

The Transport and General Workers' Union yesterday defended a decision by its executive to give £5,000 to the *Morning Star* against mounting criticism of the move by a number of Labour MPs.

The contribution, announced at the weekend, was made in response to a £50,000 appeal by the communist daily newspaper. Mr John Cartwright, Labour MP for Greenwich, Woolwich East, said it was an "extraordinary thing" for the union to use members' money in this way, "money given to them on the clear understanding that it is being used basically for supporting the Labour Party".

Mr Cartwright added: "If I were a member of the TGWU I would want to know where funds are being used to support the newspaper of a party actively opposed to Labour".

Mr Benjamin Ford, Labour MP for Bradford, North, said

the union was affiliated to the Labour Party and ostensibly responsible for its policies. He added: "I fail to see how it can possibly then support another organization which puts up candidates against official Labour candidates".

Mr Mostyn Evans, the union's general secretary, said that the newspaper was one of the few that had a sympathetic approach to the very serious difficulties the trade union movement was facing.

Mr Larry Smith, the TGWU executive officer, confirmed that the money had come from the political fund, but said that the executive had wide powers to deploy the fund for broadly political purposes.

Mr Alan Fisher, general secretary of the National Union of Public Employees, said "It is open to any trade union to decide whether it supports a particular paper."

For the record...

Olympic body
split over
Moscow games

The British Olympic Association had its first public debate on Friday when the British Olympic Association should take part in the Olympic Games in Moscow and showed that its thinking was as split as that of the British public.

The occasion was the association's annual meeting and it attracted a record attendance of 100 of the 240 members. There were stirring speeches from Sir Denis Follows, the chairman, and Lord Noel-Baker, aged 91, who spoke in favour of the association's committee.

Other speakers accused the association of being an unrepresentative body and said it was wrong to support athletes going to Moscow. The Soviet Union oppressed millions.

But the loudest applause was won by Lord Noel-Baker, British team commander at the 1952 games. The message at Moscow would be "the friendship and cooperation of all the nations of the world", he said.

Rome meeting, page 4

Teachers reject
13pc pay offer

Negotiators representing 470,000 teachers in England and Wales on Friday night rejected a 13 per cent pay offer from the local authorities. They are asking for a 20 per cent rise on top of the increases, averaging 18 per cent, they are just received under the recommendations from the leg commission. Earlier the employers said they would drop it reference in negotiations to teachers' conditions of service.

Rolls-Royce lose £58.4m

Rolls-Royce, the state-controlled aero-engine company, which is to receive further government support towards meeting its cash needs of £180m this year, has disclosed losses of £58.4m for the past year. The scale of the downturn from the previous year's pre-tax profit of £11.7m had been widely expected but was described by Sir Frank McFadden, the chairman, as very disappointing.

Sir Frank, who took over from Lord Keith of Castlecreagh earlier this year after the Gov-

Treasury secrecy attacked
by Mr Edward du Cann

By Caroline Atkinson

A strong attack on the secretiveness of the Chancellor of the Exchequer and the Treasury was made on Friday by Mr Edward du Cann, chairman of the Commons Select Committee on the Treasury and the Civil Service.

Mr du Cann said in a radio interview after publication of the committee's report on the Budget and the Government's spending plans that he was worried about some of the assumptions and forecasts underlying the economic strategy.

In particular he suggested that the Treasury forecast for output in 1980 was over-optimistic and that unemployment was likely to be more than 2,250,000 by 1983.

He also believed it unlikely that their would be a dramatic turnaround in the performance of nationalized industries, as

Siege machinery was exercised only a few weeks before the Iranian Embassy crisis
Police have often practised dealing with hostage takers

By Our Crime Reporter

Scotland Yard, can hardly be described as inexperienced when it comes to handling sieges. Tucking their successes in Spaghetti House and Balcombe Street under their belts, the Metropolitan Police have tested their plans with annual exercises over the past five years.

This year's exercise was only a few weeks ago at Heathrow airport under the code name Heatwave. For a night, while the airport was quiet, police officers, Army personnel and civil servants tried to cope with a simulated situation in which "terrorists" held passengers due to catch an Israeli flight at a loading gate in one of the terminals.

To make things more difficult, fictional politicians were among the hostages and the terrorists had another going kidnapping a VIP elsewhere in Britain.

The whole machinery of dealing with a siege was thoroughly exercised down to the setting up of an operations centre linking Whitehall to the scene. A

civil servant played the part of the Home Secretary.

The exercise was a success even if the civil servants posing as reporters were taken hostage.

Heatwave was particularly apt because previous exercises had involved hostages held in an aircraft. For the first time it was considered what would happen if they were held in a building.

New Deputy Assistant Commissioner John Bellow, the man in charge of the police operation, and Superintendent Frederick Luff, the main negotiator, are putting into practice the lessons learnt from Heatwave.

Mr Bellow, aged 49, is a much travelled policeman. A Londoner by birth, this dapper, precisely spoken man started his career with the City of London police, moved to Kent, where he rose to assistant chief constable, and then went to Scotland Yard.

His career as beat policeman, fraud squad detective and, eventually, police planner, also

includes the distinction of being the first police officer to attend a course at a military staff college. That could be an experience of some use at the embassy siege because it is a last desperate throw.

The responsibility for preventing that happening falls very heavily on Mr Luff. A uniformed officer at Gerald Road police station, near the embassy, he is better known to the public as a former head of the Drugs Squad.

It was under his leadership in the middle 1970s that the squad successfully broke several triad heroin rings. But Mr Luff, aged 46, paid the price for allegations of corruption among his officers involving the recycling of cannabis. He was removed as head of the squad as part of police policy that in such cases the officer in charge is held accountable for what goes on under his command.

An athletic man, Mr Luff is a keen boxer and pilot. Standing on the pavement outside the

embassy he has tried to combine an open, cheerful manner with techniques of negotiation learnt on a police course.

When he rests, one of another three negotiators takes his place. There were no signs last night of an end to the siege, but the police did not believe that it would go on as long as the Irish siege at Monasterevin, which lasted 18 days.

Unlike that occasion, Mr Luff and his team made rapid contact, meeting no strong ideological hostility. In both Ireland and at Balcombe Street, the siege began when the Provisional IRA men involved were trapped and had to adjust to their position. The Iranian gunmen launched the present siege deliberately.

That is an essential difference between the situation at Prince's Gate and earlier incidents: the Irish were going to do and had to face.

It is important therefore that Mr Luff and his colleagues should build a rapport both for the safety's sake and for gathering information. The police must know with whom they are deal-

ing and what their reactions might be. They have dealt with criminals and the Provisional IRA, but are less well acquainted with the Middle Eastern mind.

They also want to know more about routine at the embassy. At other sieges those involved were contained or one room; at Prince's Gate, the gunmen can range through a five-storey building.

This is not all in favour of the terrorists, who must keep watch on many fronts; but undoubtedly they are motivated by a strong political fervour and, to complicate matters, the police have the difficulty of facing demands which can be met only by a third party out of British influence or control.

The yearly exercises no doubt have helped the police, but it is unlikely that they included the extra dimension of the civil disorder on the streets presented in the past few days by the Iranian demonstrators and their supporters and the counter demonstrators. Perhaps this dimension will be added to next year's exercise.

Gunmen are
ringed by
a battery of
cameras

By John Withrow

The Iranian Embassy in London has been under siege no merely by the police but also by a formidable battery of television and press cameras. The scene about 200 yards from the embassy, where up to five gunmen last night were still holding about twenty people hostage, resembled a Fox Office trade fair.

The BBC and independent television hired two giant cranes to look down on the "cherry-pickers" at a cost of £40 an hour. They swung gently in the breeze 60ft above ground, enabling both channels to get virtually identical pictures of the front door of the embassy. Between 30 and 40 technicians, producers and reporters covering the siege to each station round the clock.

If this goes on much longer it could be one of the most expensive operations we have mounted. A BBC producer said. The stations were backed up by several editing and transmitting vans and two mobile film cameras which could be rushed to any disturbance.

Besides the British television channels, the American news works brought in crews from over Europe and from as far away as Los Angeles. The beamed their film to a base office in London from where it was bounced off satellites to the New York breakfast show and news programmes.

The German bird's-eye view calls it, cost £1,500 for the 10 minutes and \$54 for every minute after that. NBC said the one day because of the siege they had reserved satellite time for the Iranian crisis, but emphasized that much of that would be used for European and middle Eastern news reports.

The tripods of the first press photographers on the scene were replaced by scaffolding which enabled the photographers to get a steady and more comfortable view as the, settled in for a long wait surrounded by vacuum flasks and protected by beach umbrellas.

Uniformed policemen were drafted from other regions of the Metropolitan area, especially the East End, and some had their weekend leave cancelled over the Bank holiday.

That put extra strain on the city's police at a time when the force was 3,000 men below strength. The operation also involved such specialists as D11, the police marksmen the anti-terrorist squad and sections of the Special Patrol Group.

Scotland Yard said it was impossible to estimate the cost of the police march in Levisham, south London, two weeks ago was more than £250,000 using 3,500 policemen for on afternoons.

The occupation meant the people living in adjacent houses were evacuated because of the gunmen's threat to blow up the embassy if the demands for the release of 9 prisoners in Iran and a plan to fly them out of Britain were not met.

Many people were forced to stay with friends and relatives or in hotels at their own expense.

Mr Rodgers backs US missiles

By George Clark

Political Correspondent

The Labour Party failed to ensure that the United Kingdom was properly defended if it would never win an election again, Mr William Rodgers, the Opposition spokesman on defence, said in a speech delivered in Friday by the Labour Committee on Transatlantic Understanding.

Mr Rodgers highlighted the split between the Labour Shadow Cabinet and the party's national executive by calling for the stationing of American nuclear missiles in the United Kingdom.

The national executive says in the statement on party policy due to come up for approval at a party conference on May 31 that a future Labour Government would not create a successor to the Polaris nuclear weapon system and would be opposed to the manufacture

and deployment of cruise missiles in the United Kingdom.

Mr Rodgers said that past Labour governments had supported Nato and the deployment of nuclear weapons as a counter to the Russian nuclear threat. "If cruise missiles are the best way of resisting the Soviet threat, there is no new principle involved in basing them here."

Mr Rodgers, socialist, of both the right and the left, had accepted the need for cruise missiles as part of the nuclear armory of Nato. The Germans had close relations with Eastern Europe and did not trust the Russians to negotiate for permanent peace unless Nato was strong enough to resist Soviet blackmail.

"Consider Afghanistan", Mr Rodgers said. "It is not part of Europe but it is a victim of Soviet aggression. Think back to the Berlin blockade, the terrible suppression of

the Hungarian rising and the tragic events of Dubcek's Czechoslovakia.

"Reflect on Soviet dissidents sent to Siberia and Soviet Jews who are still the victims of discrimination. Surely it is right for the Russians to know that we are ready to defend ourselves."

Mr Rodgers urged that Britain should retain a proper defence while giving a lead in disarmament. "Alone we could not do it, but for over 30 years Britain has been a member of Nato, which no one did more to create than Ernest Bevin, Foreign Secretary in a Labour government and a great trade union leader. We knew what was meant by negotiation from strength."

"Peace cannot be bought through weakness. That is the lesson of history which the Labour Party must never forget," Mr Rodgers concluded.

Tory voters 'deceived'
Dr Owen says

By Our Political Correspondent

"Discord" summed up the first year of Mrs Thatcher's Administration, Dr David Owen, the former Labour Foreign Secretary, told a May Day rally at Maunbury Kings, Dorchester, yesterday.

He claimed that Tory voters felt that they had been deceived; the local election results showed that they had deserted in droves.

Dr Owen recalled Mrs Thatcher's questing on the steps of 10 Downing Street the night of St Francis of Assisi: "Where there is discord, may we bring harmony."

"Tell that to the steelworkers of Corby, Shotton and South Wales as they are asked to accept a crazy scheme involving a £18m transfer fee to a United States bank order to hire a new head for British steel," Dr Owen said.

Mr John Silkin, Labour's front-bench spokesman on industry, told South Yorkshire May Day rally on Saturday that the Government had drawn a "Thatcher line" across the country from the Avon to the Wash.

Most of the people whom the Tories regarded as being "expensable" lived north of that line Mr Silkin said.

Thatcher list
of success
and failure

Continued from page 1

Dr Owen said the people who withdrew from Afghanistan it was worth going to the brick of war.

One passage will be studied carefully because it seemed to disclose a new method of influencing public opinion within the Soviet Union. She said: "The war weapons we have now are absolutely dreadful. No, we must use other means, by a massive propaganda campaign of a kind we have never mounted yet."

"Electronics give us the chance to do this, with big transmitters. Soon we shall have the new technological development enabling us to beam in television."

Was there a chance that the nations would do this without war, as happened in 1914 after Sarajevo? "I must say categorically that I do not think so. The weapons are so hideous and terrible that those of us who are, for the time being, in charge of these matters, would not dream of it."

Mr Thatcher said she would be totally against any military intervention in Iran, such as the blockading of ports or the laying of mines. The United States attempt to rescue the hostages should not be considered as military intervention.

On the siege at the Iranian Embassy in London, Mrs Thatcher said the request for mediation was the subject of consultation between the three countries named by the gunmen and the British Government.

"We are tackling this problem in our usual way," she said. "It is the job of the host country to give protection to all diplomats, and to try, if we have a terrorist situation, to bring the matter to a peaceful conclusion by showing enormous patience, enormous experience and the only thing we have in the end-by persuasion."

Mrs Thatcher said many people in Britain whether they had been informed in advance about the United States rescue attempt "If I were ever to put our troops in to rescue some British people, do you think I would risk the lives of our troops at risk or British people at risk by spreading it all over the world on a confidential basis, what I was going to do? Of course I would not."

Thatcher profile, page 6

Man accused of
Niedermayer
murder in Ulster

From Chris Thomas, Belfast

A man is to appear in Belfast Magistrates' Court this morning charged with murdering Mr Thomas Niedermayer the German industrialist and with being a member of the Provisional IRA.

Two other men are also to appear in connection with Mr Niedermayer's death, both charged with withholding information. One is a German, charged with being a member of the Provisional IRA and with impeding arrest.

Mr Niedermayer's remains were buried in Northern Ireland in March after being identified from dental records. They were uncovered by an excavator driver at an unofficial rubbish dump about a mile and a half from his home on the outskirts of Belfast.

He was kidnapped on December 28, 1973, by two young men who had called at his home and pretended to have crashed into his car.

In 1976 his widow, who still works at the Grundig factory, which her husband headed, persuaded a West German court officially to declare her husband dead. The discovery of Mr Niedermayer's remains partly ended one of the greatest mysteries of the past 15 years of conflict in Northern Ireland.

In 1978 his family erected a tombstone over an empty grave at Derraghilly, where Mr Niedermayer, a former German consul to Northern Ireland, is now buried.

The colliery winders, a traditionally moderate group in an otherwise militant area, had decided to ignore the TUC's call to stop work, but Mr Arthur Scargill, the left-wing president of the Yorkshire area of the National Union of Mineworkers, said on Friday that about half the men responsible for getting miners and materials into the pits had changed their minds.

Prison officers
convicted

Three prison officers convicted on Friday of assaulting a prisoner in the hospital wing of Brixton Prison, south London, would lose their jobs, pensions, accommodation and gratuities, Inner London Crown Court was told.

Leslie Jenkins, aged 36, was fined £200 for assault causing actual bodily harm, and Peter Keefe, aged 22, and John Jones, aged 47, a principal officer, were conditionally discharged for common assault on John Knight, the prisoner.

More than 7,000 schoolgirl
pregnancies a year

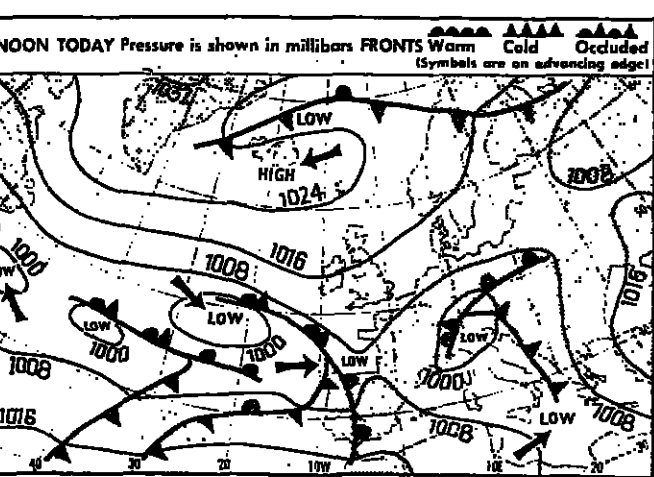
By Frances Gibb

More than 7,000 schoolgirls below the age of 16 became pregnant each year on average research has shown a link between England and Wales between 1974 and 1976, an article in the latest issue of the *British Medical Journal* says.

Difficulties arising from pregnancy at such an early age are especially distressing, it says. Young girls are more likely than older teenagers and women up to the age of 35 to have complicated pregnancies and morbidity and mortality rates are higher.

The risk of an attempt later at suicide is high and some research has shown a link between early motherhood and a poor relationship between the mother and baby, and baby battering.

Weather forecast and recordings



Today
Sun rises: 5.25 am
Sun sets: 8.31 pm
Moon rises: 12.33 am
Moon sets: 9.19 am
Last Quarter: May 7.
Lighting up: 9.1 pm to 4.33 am.
High water: London Bridge, 5.40 am, 6.39 pm, 5.52 pm, 6.99 am, 10.54 am, 12.11 pm, 11.15 pm, 11.80 am, Dover, 2.26 am, 6.11 am, 2.54 pm, 6.06 am, Hull, 9.53 am, 10.24 pm, 6.40 am, Liverpool, 2.53 am, 8.64 pm, 3.12 pm, 8.31 pm, 11.03 am, 1.30 pm, 1.28 pm.

Forecasts for 6 am to midnight:
High pressure over Iceland and low pressure over central Europe will maintain a NE airstream over the British Isles.

London, central S and N England, Midlands, Channel Islands, Mostly dry, sunny periods, perhaps an isolated shower in afternoon; wind NE, moderate or fresh; max temp 13° to 15° C (55° to 59° F).

SE England, East Anglia: Mostly dry, sunny periods, perhaps an isolated shower in afternoon; wind NE, moderate or fresh; max temp 13° to 15° C (55° to 59° F).

SW England, Wales: Mostly dry, sunny periods, perhaps an isolated shower in afternoon; wind NE, moderate; max temp 14° to 16° C (57° to 61° F).

NW England, Lake District: Mostly dry, sunny periods, perhaps an isolated shower in afternoon; wind NE, moderate; max temp 14° to 16° C (57° to 61° F).

Friday
London: Temp: max 7 am to 7 pm, 11° C (52° F); min 7 pm to 7 am, 6° C (43° F). Humidity, 7 pm, 62 per cent. Rain, 24 hr, 2 pm, nil. Sun, 24 hr, 7 pm, 1.012.5 millibars, steady.

Saturday
London: Temp: max 7 am to 7 pm, 11° C (52° F); min 7 pm to 7 am, 6° C (43° F). Humidity, 7 pm, 62 per cent. Rain, 24 hr, 2 pm, nil. Sun, 24 hr, 7 pm, 1.012.5 millibars, steady.

Weather reports YESTERDAY
MIDLAND: c, cloud; f, fair; r, rain; s, sun.

WEATHER REPORTS YESTERDAY MIDDAY:										cloud: c, clear; f, fair	
rain: s, sun.	l	f	c	s	l	f	c	s	l	f	c
London	10	10	10	10	10	10	10	10	10	10	10
Birmingham	10	10	10	10	10	10	10	10	10	10	10
Manchester	10	10	10	10	10	10	10	10	10	10	10
Cardiff	10	10	10	10	10	10	10	10	10	10	10
Edinburgh	10	10	10	10	10	10	10	10	10	10	10
Glasgow	10	10	10	10	10	10	10	10	10	10	10
Belfast	10	10	10	10	10	10	10	10	10	10	10
Shannon	10	10	10	10	10	10	10	10	10	10	10
Malpas	10	10	10	10	10	10	10	10	10	10	10
Wick	10	10	10	10	10	10	10	10	10	10	10
Enniskillen	10	10	10	10	10	10	10	10	10	10	10
Glenties	10	10	10	10	10	10	10	10	10	10	10
Letterkenny	10	10	10	10	10	10	10	10	10	10	10
Coleraine	10	10	10	10	10	10	10	10	10	10	10
Bangor	10	10	10	10	10	10	10	10	10	10	10
Castell	10	10	10	10	10	10	10	10	10	10	10
Portlaoise	10	10	10	10	10	10	10	10	10	10	10
Wexford	10	10	10	10	10	10	10	10	10	10	10
Waterford	10	10	10	10	10	10	10	10	10	10	10
Cork	10	10	10	10	10	10	10	10	10	10	10
Limerick	10	10	10	10	10	10	10	10	10	10	10
Galway	10	10	10	10	10	10	10	10	10	10	10
Sligo	10	10	10	10	10	10	10	10	10	10	10
Derry	10	10	10	10	10	10	10	10	10	10	10
Donaghadee	10	10	10	10	10	10	10	10	10	10	10
Malinbeg	10	10	10	10	10	10	10	10	10	10	10
Glenties	10	10	10	10	10	10	10	10	10	10	10
Letterkenny	10	10	10	10	10	10	10	10	10	10	10
Coleraine	10	10	10	10	10	10	10	10	10	10	10
Bangor	10	10	10	10	10	10	10	10	10	10	10
Castell	10	10	10	10	10	10	10	10	10	10	10
Portlaoise	10	10	10	10	10	10	10	10	10	10	10
Wexford	10	10	10	10	10	10	10	10	10	10	10
Waterford	10	10	10	10	10	10	10	10	10	10	10
Cork	10	10	10	10	10	10	10	10	10	10	10
Limerick	10	10	10	10	10	10	10	10	10	10	10
Galway	10	10	10	10	10	10	10	10	10	10	10
Sligo	10	10	10	10	10	10	10	10	10	10	10
Derry	10	10	10	10	10	10	10	10	10	10	10
Donaghadee	10	10	10	10	10	10	10	10	10	10	10
Malinbeg	10	10	10	10	10	10	10	10	10	10	10
Glenties	10	10	10	10	10	10	10	10	10	10	10
Letterkenny	10	10	10	10	10	10	10	10	10	10	10
Coleraine	10	10	10	10	10	10	10	10	10	10	10
Bangor	10	10	10	10	10	10	10	10	10	10	10
Castell	10	10	10	10	10	10	10	10	10	10	10
Portlaoise	10	10	10	10	10	10	10	10	10	10	10
Wexford	10	10	10	10	10	10	10	10	10	10	10
Waterford	10	10	10	10	10	10	10	10	10	10	10
Cork	10	10	10	10	10	10	10	10	10	10	10
Limerick	10	10	10	10	10	10	10	10	10	10	10
Galway	10	10	10	10	10	10	10	10	10	10	10
Sligo	10	10	10	10	10	10	10	10	10	10	10
Derry	10	10	10	10	10	10	10	10	10	10	10
Donaghadee	10	10	10	10	10	10	10	10	10	10	10
Malinbeg	10	10	10	10	10	10	10	10	10	10	10
Glenties	10	10	10	10	10	10	10	10	10	10	10
Letterkenny	10	10	10	10	10	10	10	10	10	10	10
Coleraine	10	10	10	10	10	10	10	10	10	10	10
Bangor	10	10	10	10	10	10	10	10	10	10	10
Castell	10	10	10	10	10	10	10	10	10	10	10
Portlaoise	10	10	10	10	10	10	10	10	10	10	10
Wexford	10	10	10	10	10	10	10	10	10	10	10
Waterford	10	10	10	10	10	10	10	10	10	10	10
Cork	10	10	10	10	10	10	10	10	10	10	10
Limerick	10	10	10	10	10	10	10	10	10	10	10
Galway	10	10	10	10	10	10	10	10	10	10	10
Sligo	10	10	10	10	10	10	10	10	10	10	10
Derry	10	10	10	10	10	10	10	10	10	10	10
Donaghadee	10	10	10	10	10	10	10	10	10	10	10
Malinbeg	10	10	10	10	10	10	10	10	10	10	10
Glenties	10	10	10	10	10	10	10	10	10	10	10
Letterkenny	10	10	10	10	10	10	10	10	10	10	10
Coleraine	10	10	10	10	10	10	10	10	10	10	10
Bangor	10	10	10	10	10	10	10	10	10	10	10
Castell	10	10	10	10	10	10	10	10	10	10	10
Portlaoise	10	10	10	10	10	10	10	10	10	10	10
Wexford	10	10	10	10	10	10	10	10	10	10	10
Waterford	10	10	10	10	10	10	10	10	10	10	10
Cork	10	10	10	10	10	10	10	10	10	10	10
Limerick	10	10	10	10	10	10	10	10	10	10	10
Galway	10	10	10	10	10	10	10	10	10	10	10
Sligo	10	10	10	10	10	10	10	10	10	10	10
Derry	10	10	10	10	10	10	10	10	10	10	10
Donaghadee	10	10	10	10	10	10	10	10	10	10	10
Malinbeg	10	10	10	10	10	10	10	10	10	10	10
Glenties	10	10	10	10	10	10	10	10	10	10	10
Letterkenny	10	10	10	10	10	10	10	10	10	10	10
Coleraine	10	10	10	10	10	10	10	10	10	10	10
Bangor	10	10	10	10	10	10	10	10	10	10	10
Castell	10	10	10	10	10	10	10	10	10	10	10
Portlaoise	10	10	10	10	10	10	10	10	10	10	10
Wexford	10	10	10	10	10	10	10	10	10	10	10
Waterford	10	10	10	10	10	10	10	10	10	10	10
Cork	10	10	10	10	10	10	10	10	10	10	10
Limerick	10	10	10	10	10	10	10	10	10	10	10
Galway	10	10	10	10	10	10	10	10	10	10	10
Sligo	10	10	10	10	10	10	10	10	10	10	10
Derry	10	10	10	10	10	10	10	10	10	10	10
Donaghadee	10	10	10	10	10	10	10	10	10	10	10
Malinbeg	10	10	10	10	10	10	10	10	10	10	10
Glenties	10	10	10	10	10	10	10	10	10	10	10
Letterkenny	10	10	10	10	10	10	10	10	10	10	10
Coleraine	10	10	10	10	10	10	10	10	10	10	10
Bangor	10	10	10	10	10	10	10	10	10	10	10
Castell	10	10	10	10	10	10	10	10	10	10	10
Portlaoise	10	10	10	10	10	10	10	10	10	10	10
Wexford	10	10	10	10	10	10	10	10	10	10	10
Waterford	10	10	10	10	10	10	10	10	10	10	10
Cork	10	10	10	10	10	10	10	10	10	10	10
Limerick	10	10	10	10	10	10	10	10	10	10	10
Galway	10	10	10	10	10	10	10	10	10	10	10
Sligo	10	10	10	10	10	10	10	10	10	10	10
Derry	10	10	10	10	10	10	10	10	10	10	10
Donaghadee	10	10	10	10	10	10	10	10	10	10	10
Malinbeg	10	10	10	10	10	10	10	10	10	10	10
Glenties	10	10	10	10	10	10	10	10	10	10	10
Letterkenny	10	10	10	10	10	10	10	10	10	10	10
Coleraine	10	10	10	10	10	10	10	10	10	10	10
Bangor	10	10	10	10	10	10	10	10	10	10	10
Castell	10	10	10	10	10	10	10	10	10	10	10
Portlaoise	10	10	10	10	10	10	10	10	10	10	10
Wexford	10	10	10	10	10	10	10	10	10	10	10
Waterford	10	10	10	10	10	10	10	10	10	10	10
Cork	10	10	10	10	10	10	10	10	10	10	10
Limerick	10	10	10	10	10	10	10	10	10	10	10
Galway	10	10	10	10	10	10	10	10	10	10	10
Sligo	10	10	10	10	10	10	10	10	10	10	10
Derry	10	10	10	10	10	10	10	10	10	10	10
Donaghadee	10	10	10	10	10	10	10	10	10	10	10
Malinbeg	10	10	10	10	10	10	10	10	10	10	10
Glenties	10	10	10	10	10	10	10	10	10	10	10
Letterkenny	10	10	10	10	10	10	10	10	10	10	10
Coleraine	10	10	10	10	10	10	10	10	10	10	10
Bangor	10	10	10	10	10	10	10	10	10	10	10
Castell	10	10	10	10	10	10	10	10	10	10	10
Portlaoise	10	10	10	10	10	10	10	10	10	10	10
Wexford	10	10	10	10	10	10	10	10	10	10	10
Waterford	10	10	10	10	10	10	10	10	10		